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PCF OBJECTIVES ON DISARMAMENT, DEFENSE, NEW WORLD ORDER

Paris CAHIERS DU COMMUNISME in French Sep 83 pp 76-83

[Article by Guy Juquel, member of the foreign policy section of the Central Committee of the PCF: "Peace and Disarmament: Disarmament, Economic and Social Development, New International Order: Some New Convergences"]

[Text] Today it is no longer possible to disregard the economic problems created by the arms race. It represents another dimension playing a role in the economic and social crisis and having consequences for the national defense policy itself. This dimension must also be taken into account in the struggle for disarmament.

The unprecedented pacifist movement which is developing in western Europe, in the United States, in Japan and in the countries of the Orient and which has been demonstrated on the 19th of last June in France by 500,000 participants in the celebration for peace originated primarily among the people of the world in their consciousness of the growing menace to peace created by the arms race and by senseless plans for superarmament.

At the same time this movement is not unrelated to the question posed by the substantial sums of money engulfed in this race at a time when the western economies are undergoing an economic and social crisis which is the most serious since the last war and which has effects of vital importance for the people of the world upon the condition of workers and upon the increasing underdevelopment of the Third World.

This question confronts us and all the workers of our country at a time when that new political experiment which has been in operation since 10 May 1981 emphasizes the need to find financial, material and human resources for a renewed effort on the part of our national economy within all industrial and scientific sectors where that economy had been gravely impaired by the policy of the preceding government. The question is where to find these resources if one is not to attack the financial, material and human mess of the capitalist system (in which the arms race is by no means the least of these evils) while at the same time maintaining the means of national defense required to assure our safety and our independence?

Prolongation of 19 June and further amplification of the mobilization of workers in our country regarding the question of the struggle for peace is probably passing through an improved evaluation of the economic and social aspects which are an important preoccupation of workers today and also through an improved evaluation of specifically French realities with regard to defense.

At a moment when the Geneva negotiations are taking place and a few weeks away from important initiatives which are going to develop in our country in liaison with the UN Week for Disarmament, it seems appropriate to examine these questions more closely in order to extract from them objectives which are as mobilizing as possible.

Some Significant Figures

In 1981 world armament expenditures amounted to between \$600 and \$650 billion according to statistics of the SIPRI (International Research Institute for Peace, Stockholm), or a little more than the gross national product (GNP) of a country like France (the aggregate of wealth produced in 1 year), or five times the national budget.

These expenditures represented in 1980:

- a. a third of all world commerce;
- b. 15 times the aid given to the Third World;
- c. the gross national product (GNP) of 65 African countries and of Latin America;
- d. the foreign debt of all countries in the Third World;
- e. the revenue of countries constituting one-half the population of the globe;
- f. twice the amount of all world expenditures for health;
- g. the equivalent of all world expenditures for education.

Although the industrialized countries account for 75 percent of these expenditures nevertheless the fraction attributable to the Third World has been rapidly developing in the last 20 years, increasing from 3 percent to 14 percent.

In the West, depending upon the country, arms expenditures amount to from 1.9 to 5.9 percent of the gross national product and amount to more than 20 percent of the national budgets (for 1983: 28 percent in the United States).

Since 1977 and notably since 1979-1980 the general tendency has been to significantly augment military budgets, in accordance with the recommendations of NATO, among its member countries.

The United States plans military expenditures of \$1,000 billion for the years 1981 to 1986, or as much as the total of expenditures during the preceding 17 years, and the United States proposes to embark upon the military conquest of space (satellites, lasers, particle beams).

In the face of the imagination-staggering magnitude of these figures, in addition to the growth of questioning excited by these figures among the general population with regard to their usefulness in terms of the security which they are alleged to assure, there also arises the question of their effect upon economies at a time when there prevails the most serious crisis which has been recorded in the Western world since the last war.

An Important Factor Aggravating the Crisis

Among economies in recession, where economic growth is negative, and where in consequence there is a reduction in response to social needs and in production, where there is a worsening of inequalities between rich countries and poor countries up to the point of imperiling entire nations it is clear that the appropriation of such sums out of created wealth--already insufficient to meet social needs and for productive investment--constitutes a powerful factor aggravating the crisis and existing economic and social imbalances while at the same time feeding the sources of tension between countries which do not possess the minimum required for survival.

Some people have claimed that arms expenditures have had beneficial effects on various economic factors (absorption and regulation of the surplus created by economic activity, stimulation of certain forms of production, contribution to the regulation of growth and of employment). Such reasoning is based first of all upon the postulate of a growth economy permitting the extraction of supplementary wealth during a period of peak production. It is clear that this is not the case today. Besides, the effects produced by arms expenditures (employment, production), to which I shall return when speaking of France, cannot be disconnected from the means of their financing and from their effects.

Now, arms expenditures are financed by the national budget and therefore by taxes levied upon taxpayers. In contrast to other expenditures financed in the same manner these constitute a levy operating on consumer revenues for the production of items which are nonconsumable and which are therefore essentially incapable of being reinjected into the economic cycle. (In the sale of arms which even when they are significant such as, for example, in France amount to \$32 billion in 1982 but represent only a quarter of the defense budget and are the subject of contracts with buyers in the shape of loans which far from constituting immediate receipts actually further aggravate the difference between expenditures and receipts.) During a crisis period (reduction in world production) appropriations operating in that way and the increase of such appropriations can only aggravate the phenomena of reduced consumption, of reduced production, of increased unemployment and inflation in all other sectors of economic life, while aggravating budgetary deficits.

The effects upon employment and upon production which are undeniable in the sector of armament are far from compensating the global negative effects since the armament industry is a high-technology industry which is very weak in the creation of productive employment. This view is confirmed by Tezenas de Montcel, president of the Paris V University, who states in the review DEFENSE NATIONALE, January 1981: "The return effect of defense efforts upon the economy cannot exceed the magnitude of the sacrifices which such efforts require. In normal times the economic feedback of such military appropriation can only be mediocre and can only be accompanied by effects of imbalance in the economy whenever changes in levels of expenditure are decreed."

To illustrate this view one may take the question of budgetary deficits. The latter are financed by the creation of money under the form of an advance on the part of the central bank to the treasury or under the form of a privileged discount having powerfully inflationist effects which are well known. The current dollar speculation, which is aggravating the sterilization of national capital aimed at rebuilding economies, has for its object the financing of the substantial budgetary deficit confronting the United States and which has as its essential cause the need to finance the superarmament plan undertaken by Reagan (\$1,000 billion in 5 years).

This demolishes the idea that the arms race could be an element tending to create employment and regulate the economy; at the same time this insight invites workers in their struggle for employment and purchasing power to assume charge to an equal extent of the struggle for disarmament, which is inseparable from any policy aiming at putting an end to the crisis and at economic growth.

National Defense Itself Is Weakened

It is not possible to spend the national revenue twice. To appropriate between 4 and 6 percent of the latter at a time when it is stagnating or regressing, to preempt a third of industrial production and research for military purposes cannot be without effect upon investment capabilities in all the other sectors which are vital for scientific, technological and industrial independence, even if one admits the existence of technological, scientific and civilian fallout from expenditures for military research and development, in view of the fact that the latter is largely constrained by the practice of "military secrecy" which impedes the cooperation and communication necessary among scientific and technical people for the enrichment of their labors.

The objective of reconquering the domestic market, of achieving independence with respect to energy and technology implies considerable investment in those different domains which constitute an essential component of the capacity for independence and national sovereignty on the part of the different nations in their international relations.

The same may be said of the need to reduce the foreign commercial deficits, and of the need to overcome the unemployment and inflation which weaken the nation both domestically and abroad.

The example of the economically asphyxiated countries of the Third World, in debt and more or less dependent upon foreign economies while being at the same time subject to increasing tensions shows the danger which is inherent in a degraded economy.

To pursue the intermeshed machinery of the arms race, of the resulting magnification of expense is to condemn oneself to being enmeshed in an international economic dependence which is ever increasing and is to definitively weaken one's capacity for national defense. There exists an indissoluble link between the struggle for an exit from the economic crisis, the achievement of a credible military defense and a halt in the arms race. To fail to conduct this struggle on all three fronts would be to weaken each of these items. There cannot be an efficacious defense, national sovereignty and security without a strong economy.

The pursuit of the arms race runs counter to all that.

The manifestation on the part of American workers, undertaken some months after Reagan came to power, has for the first time associated their demands for employment and wages with demands for a reduction in arms expenditures.

The difficulties encountered by certain European governments in applying the recommendations of NATO in the face of their public opinion and in the face of their parliaments (West Germany, Netherlands) shows that this antieconomic and antisocial aspect of the arms race is being more and more recognized. It is becoming more and more difficult to justify an increase in the military budgets in economies which are in recession, which can only imply heavy blows to the civilian and social budget in order to carry out those plans for superarmament which become more and more manifestly factors menacing the peace and security of humanity. It is this fact which Reagan is weighing before the American Congress where a significant resistance opposes adoption of the superarmament budget. It is this which probably to a large extent explains the size of the manifestation in New York in June 1982 and of the new manifestation at the end of August 1983 in Washington on these themes.

Some Remarks About France

Armament expenditures amounted in France in 1982 to 133 billion francs or 3.89 percent of the gross national product.

a. The effect of armament expenditures upon employment: 1 million employees put to work by the budget of the Department of Defense according to Pierre Mauroy (of which 280,000 were employed directly in production);

b. Breakdown of the defense department budget expenditures for production in some different important sectors:

1. industry: 28.8 percent (of which 42 percent was naval construction, 21.1 percent aeronautics),

ii. research: 35 percent of the total of all state expenses; 23 percent of all expenditures in the country,

iii. energy: 16.8 percent,

iv. transport, PTT [postal, telegraph and telephone service]: 7.8 percent,

v. construction: 8.4 percent.

These figures, which should be put in relation to their counterparts (the appropriation of resources and employees in the civilian domain in accordance with the preceding discussion; there does not exist any serious study in this domain), indicate the significant impact of the defense department budget upon our economy. They also show the resources which it would be possible over the long term through a policy of economic and social redress to extract in the way of resources from commitment to an international process of disarmament. On the basis of this reality these facts suggest certain propositions relating to disarmament which, without prejudice to our autonomous defense capacity, are in accord with our country's economic and social interest and also with our objective of peace and with the mobilization of all those [resources] which create wealth;

c. The armament production policy of France under the preceding regime, as exemplified by the military program law for 1977-1982, envisaged two primary objectives:

i. reintegration of French armament production policy with that of NATO under the guise of cooperation with West Germany in order to give an impetus to a reactivation of the arms race on the part of the Atlantic Bloc;

ii. making private profit the driving force behind this reactivation by using the arsenals of the state and nationalized enterprises as means for the transfer of capital, for public research and technology in the interest of the private sector and by developing within this private sector and reserving to this private sector the exportation of arms.

Thus on 10 May 1981 the private arms industry represented nearly 65 percent of arms production. Exports constituted 40 percent of this production (25 billion francs) and had become the principal driving force of French manufacturers in this domain, to the detriment of our own national needs and in the interest of greater private profit.

This "privatization" policy and policy of "all for export" in the domain of armament production has in no sense been used to reduce the cost of equipment intended for our army but to finance the profits of big private groups on the basis of the state budget and by exploiting the public potential for research and study;

d. The number of jobs created has been small: less than 10 percent in 7 years and this only in the private sector while a number of jobs have been eliminated in the arsenals and in the nationalized sector.

As to our trade balance, the form of numerous contracts entered into with the importing countries (loans made by our country and reimbursed more or less in accordance with political expedience) has singularly attenuated the effect of these exports upon our foreign trade;

e. During the past 2 years nationalization, or some state participation, has been introduced in Matra, Dassault and Thomson thus perceptibly modifying the situation (80 percent of armament production is now today under the direct control of the government and of the nation).

If nationalization does not by itself suffice to change the arms policy nevertheless it opens up "the possibility" of suppressing the law of private profit as a motive for manufacturing arms and for the arms race. With the intervention of the workers and their newly acquired rights this nationalization can make it possible to reorient French arms production toward its proper objectives: response to the needs of our own national defense to the exclusion of any aggressive and mercantile purpose; to favor an international process of slowing the arms race, of multilateral, balanced, negotiated reduction in existing arms; to secure that this production sector with its important impact upon our national economy shall contribute to the industrial, scientific, technological and social rebuilding of our economy.

In order to succeed in securing that French policy shall be fully directed toward these objectives it is above all necessary to develop a popular movement in France in which the workers taken altogether shall play a responsible role in establishing as an inalterable datum of French policy the objective of stopping the arms race on the international plane and of assuring the noninstallation of new missiles in Europe and of reducing those existing both in the East and in the West.

This implies for the communists that no opposition must be created between disarmament and the need for a policy of autonomous national defense (a force of dissuasion at a level which in the current situation is not negotiable). For the independence of our country is a necessary precondition of playing an efficacious role on the international level with a view to bringing the reduction of forces to a final condition of equilibrium by a process of progressive disarmament which is balanced, multilaterally negotiated and guaranteeing the security of all people and of every government in order to brake the escalation in which we are enmeshed.

What serious prospects can there be of preserving our independence and our security, of opening up the possibility of a sensible reduction in our arms expenditures if the two most heavily armed powers (the USSR and the United States possess 97 percent of nuclear arms) cannot reach a sensible agreement to reduce their armament by an accord which takes into consideration all nuclear arms existing both in the East and in the West in each of their alliances?

We are also concerned in this. And it is easy to understand the importance of the proposal made by Georges Marchais in the name of the French Communist Party that negotiations should be commenced at Geneva on Euromissiles by all

European governments, rejecting at the same time the idea that the fate of Europe could be decided by the two superpowers. Thus we have every reason to take measures to expand the popular movement exemplified by the 19th of last June and to reinforce the effectiveness of the movement of the forces of peace which is developing in the world in order to reverse the logic of terror.

In the second place, and right now, the new political context of 1981 gives us new possibilities for assuring that arms expenditures (our industry in this domain) shall contribute more than they have in the past to rebuilding the national economy.

The nationalization of private arms industries, the conquest of new rights by the workers, new lines of development opened up in research unquestionably constitute ways of reducing the mess created by the profit law of the cannon merchants, of strengthening the bridges between both military and civilian research, developments and production, of diversifying the products of the military establishment with complementary civilian production (notably in the arsenals) in order to fully utilize existing industrial potential in the armament sector, to reduce the cost of military equipment and to increase the civilian extension of investments made in this sector.

Such an orientation has nothing to do with the idea of unilateral disarmament which would deprive us of our capacity for defense and independence; neither in consequence does it have anything to do with the idea of a reconversion--something which does not come into question for our country in the current circumstances. Rather it aims at securing that the scientific, industrial, human and military strength which we possess and which is rich in potentialities would contribute not only to our military defense but shall also fully participate in national economic recovery.

It is clear also that at the moment when the two principal powers shall engage in a process of sufficient reduction of arms such an orientation would create the technological, industrial and human conditions for rebalancing French research and civilian and military manufacturing in a sense which conforms more to the needs and aspirations of society.

It is perhaps the path which corresponds in the existing situation to the possibility of a demilitarization of our economy to the rhythm of the evolution which will take place in the international process of disarmament in which France will be a participant at the proper moment and in which the workers have their role to play in our country so that this international disarmament process will come closer to reality.

Disarmament and a New International Order

At the beginning of this article I have given some comparative figures concerning world armament expenditures and the gross national product of the countries of the Third World.

The New Delhi Conference of Unaligned Nations (7-12 March 1983) both in the speeches of Fidel Castro and of Indira Gandhi and in its final resolution has placed the accent on the indissoluble link between peace, disarmament and the solution to the economic crisis which is threatening both poor and rich countries.

The final resolution points out that peace should be based upon justice and equality because the inequality and the intolerable exploitation created by colonialism and imperialism remain the principal causes of tension, of conflicts and of violence in the world.

The unaligned nations have on this occasion directed an appeal to the great powers that they should "put an end to the arms race and that the resources thus released should be applied to the development of developing countries."*

They have called upon the great powers to open up negotiations to achieve agreement on different measures relating to disarmament and solutions to the economic crisis within the framework of the initiation of a new international economic order.

The dramatic situation of the countries of the Third World (economic collapse, millions of children, men and women dying of hunger and for lack of care), new very serious international tensions deriving from this situation, the realistic proposals which they formulate, the fact that the great Western powers are unable to escape from their crisis on the international plane without the institution of new economic relationships—all of these invite us, both in the measures which we adopt on the economic plane to release our country from the crisis and also in our struggle for peace, to lend much more resonance to the appeal and to the proposals of the nonaligned nations. What is at stake is the future of world peace and our very own future.

Nothing is fixed, nothing decided in advance; we are in a situation of full evolution regarding the questions of peace and disarmament as well as regarding economic and social questions. New possibilities exist for the advance of our ideas.

This implies that we shall pursue and deepen our thinking and our proposals in these different domains in order to favor the development of a popular movement in France which closely associates peace, independence, security, social progress.

* See Martin Verlet, "The Nonaligned Nations Movement, an Impulse in New Delhi," CAHIERS DU COMMUNISME, May 1983, and "World Hunger: What Contribution From France?" document of the PCF, CAHIERS DU COMMUNISME, July-August 1983.

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BARRIONUEVO GOALS IN 'PERSONAL' BATTLE AGAINST TERROR

Madrid YA in Spanish 27 Sep 83 p 7

[Text] The minister of the interior, Jose Barrionuevo, will "personally and directly" lead the fight against terrorism from now on.

His immediate objective "is to win the game by staking all my chips against the terrorists. I am mentally prepared for it, and I am going to put all my stubbornness and all my intelligence to work on it."

In his post in the most difficult ministerial position in the government, he has learned that "there are no miraculous solutions," and that "what is important is tenacity and steadfastness," he declared, according to EFE, in "the breakfasts at the Ritz."

This has not come as an order from the president of the government, although Felipe Gonzalez has in passing remarked to him sometimes about how Venezuela's Carlos Andres Perez put an end to terrorism when he was minister of the interior because "he threw himself into the job."

His appraisal of the ETA [Basque Fatherland and Liberty Group] as of now is as follows:

"They do not have much money. The ones in France are living in precarious conditions. They have financial problems because the circle is becoming smaller, and they have not taken any action for some time. As we calculate the probabilities, it is possible that they are planning some kidnapping."

"There is no ETA commando group in Madrid," the minister stated emphatically; and he denies that his office has warned some individuals of possible danger. As for the parallel security organizations, Barrionuevo stated that he does not know about them.

He outlined four objectives in this struggle against the terrorists: to have all security personnel in the Basque country be volunteers, to cut the flow of economic aid to the ETA, to improve relations with France, and to improve coordination among the information services.

Barrionuevo stated that sometimes the ETA prevents repentent ETA members from returning. This was the case with Ochotorena, the ETA member who died of leukemia in Paris. "He asked to be allowed to return to pass his final days with his family, but the ETA prevented him from doing it. I had personally authorized his return to Spain."

The subject of the ETA members in Nicaragua and Costa Rica "has been exaggerated," the minister believes. Even so, according to the information which he possesses at this time, Barrionuevo asserts that "there is no information about ETA training camps in Nicaragua. It is true that there are people from the ETA and parties of the extreme Left there, just as there are in Mexico and Venezuela." Regarding the presence of "El Pistolas" in Costa Rica, the minister stated that "certainly, he is a confirmed ETA member. Investigations are being made 'in situ' in Costa Rica by Spanish police officials. The information which has been provided is very promising."

On the subject of the legalization of Herri Batasuna [Popular Unity] the minister declared that there are two courses which could be taken: to send it to the attorney-general or to take the litigation-administrative course. "I am more in favor of this second option," said Barrionuevo, who recalls a decision of the Constitutional Court according to which the ministry of the interior may only make pronouncements on documents which have been presented. He added: "Another thing is that jurisdictional action should be taken quickly on specific cases."

"The Worst of the Insecurity Has Already Passed"

"The worst of the insecurity resulting from the prison breaks has already passed," Barrionuevo believes. He denies that there is any disagreement with the minister of justice, Fernando Ledesma. Furthermore, he is in agreement with the reform of the Penal Code--"a rightful action"--and he thinks that "the heart of the problem is the lack of means for administering justice."

He had criticism for everyone. "We are in the habit of being passive judicially, we are used to slow justice, and also our police are not all as effective as they should be." The problem has been in carrying out that reform, which he hopes to accomplish with the instructions given to judges in a recent government circular.

In a spirit which is quite opposite to that of Anglo-Saxon justice, Barrionuevo is hoping that the day will come when judges and prosecutors "stop basing their actions on paperwork," and will be prepared to see the face of crime as it really is.

The minister of the interior does not hold back anything when speaking about the security forces, nor does he mince words when he says that the Civil Guard is "one of the great discoveries of the socialist government," or that there is "an undesirable element" in the General Police Brigade.

He praises the Civil Guard. "It is a very disciplined, self-sacrificing and hard-working corps, although too much wrapped in tradition. There are a surprisingly high percentage of university graduates in it."

Element in the General Police Brigade Criticized

Barrionuevo makes himself very clear in his appraisal of the General Police Brigade. "There are three different groups in it: one of acceptable professionals; another which does not at all like being police; and a third group, a very small one, which contains some undesirable individuals."

"This latter group," he adds, "cause a lot of commotion, and any kind of reform causes indiscipline to break out among them; they are the ones who cause the leaks, and the ones who produce an image of chaos. But chaos in the police--never."

The minister becomes animated. "I am very sorry, but I am going to take firm and energetic proceedings against them, and it makes no difference if they come waving a PSOE [Spanish Socialist Workers Party] card or if they pride themselves on being 'somebody'.

The minister continues: "Another problem is that of the opposing factions within the police, with whom they have tried to implicate some political posts in the ministry."

After asserting that the confrontations which are so much talked about "are fictitious," he states that "relationships with Carlos San Juan are perfect; he is a good assistant secretary, a good person, and a good party comrade. "What is happening," he explains, "is that the presence of two assistant secretaries in the department--Vera and San Juan--produces a certain amount of confusion, but this is not the same thing as a rivalry."

Barrionuevo thinks that he would like to have Ballesteros, "who is one of the best men in the police," take on an important post, as well as Commissioner Martorell.

Barrionuevo classifies the persons responsible for the leaks as part of the undesirable element; and although he refuses to comment on "the Medina case," he throws out the remark "If they had only leaked two files..."

Concerning the possibility of a coup d'etat, Barrionuevo tersely remarks, "There is no prospect of any change in the operation of the Constitution." Period. "About Soteras--that's a minor thing," and he assesses the words of Felipe Gonzalez in the general debate on the military situation as "nothing more than an obligatory reference."

The information services do not appear to pose any problems. According to Barrionuevo, they should be divided into two sections: one in the Ministry of Defense, and another in the Ministry of the Interior, and they should act in a parallel way. It will be up to the president of the government to make an official evaluation of his reports.

Barrionuevo ends by saying: "My pride is being a minister and all that is at stake. Now I'm betting everything I have on finishing off terrorism."

VERHOFSTADT ON COALITION, ECONOMIC ISSUES

Brussels KNACK in Dutch 21 Sep 83 p 19-25

[Interview with PVV [Party of Liberty and Progress] Chairman Guy Verhofstadt by Frans Verleyen and Johan Struye: "Where Are All Those Liberals Now?: The Ideas of PVV Chairman Guy Verhofstadt and the Government"; slantlines show original italics.]

[Text] "If you insist on making your own choices, you're more liberal than you think"--thus an advertisement that appeared recently in newspapers. It was paid for by the PVV and is the first of a series of messages in a campaign ambitiously labeled: The Path of Free Choice. In 1981, the PVV was victimized by its oversuccessful advertising agency. It conducted the best campaign of all the parties, but Martens V is not fulfilling any of Liberals' promises. There is every chance that the Blue Party is now committing the same error again. One of the up-coming messages will undoubtedly touch on civil service--quite a delicate subject--and yet another will concern the welfare system. PVV Chairman Guy Verhofstadt has to have his alternative plan for the welfare system ready by the end of the month. A few weeks ago, some of it leaked out and appeared in DE STANDAARD.

[Verhofstadt] The negative income tax project that we launched last year is our long-term plan. We are not retreating from it. This vision supports the proposals that we are developing now. These proposals call for a specific, immediate reform in three stages. Solidarity is the first stage, total and complete solidarity. Full security--not insurance--for each and every citizen, paid for with public funds. The state takes money from its citizens through taxation and uses it to finance social programs for people in the lower income groups. The first stage would deal with the following: the guaranteed minimum income, which in my opinion should be higher than the current 10,000 to 12,000 frank range; the unemployment benefits, also a risk-bearing program and 85-percent supported by public funds; the minimum income for the elderly, etc. We would like to initiate a study of the means of supporting these programs. Otherwise, these public funds will be inadequate again for those who are most in need.

The second stage is a system of obligatory insurance with compulsory contributions. This would cover on-the-job accidents, health problems, sickness and disability, and group retirement plans. The compulsory contributions would be paid to private companies. These private companies--those running group health plans, for instance--would be required to balance their income and expenditures so that the taxpayers would not have to pay off the annual deficits.

Thirdly, there would be a system of private insurance plans which would be granted tax incentives to encourage people to assume more responsibility for insuring themselves. Our party is now completing the writing of these proposals. We will be submitting our legislative proposals in the coming months, matching those of CVP [Social Christian Party] Welfare Minister Jean-Luc Dehaene. There will either be a compromise that grants us enough of the substance of our proposals, or there will be no compromise during the coming year at all. And in that case, I think the voters will have to decide on the reform of the welfare program in 1985.

[Question] Aren't you concerned about a defensive reflex on the part of the people? As it is, everyone is benefited by the welfare system.

[Verhofstadt] The social welfare system is not good for everybody. It isn't good for the 10,000 among us who have to get along on less than 12,000 francs a month. In a few years from now, it won't be good for those on pensions either, because there won't be any more money for them. In order to deal with this, we will not only propose reforms but will also calculate how high the premiums and benefits shall be. The premiums can probably come down, and the benefit payments may very well be increased by turning to private organizations rather than to governmental ones. We want to come up with a welfare system free of the asocial elements of the present one. Once the party has made this decision, the different positions will line up. The one position calls for leaving the present system as it is and for simply increasing the revenues; the other wants to do something altogether different.

[Question] Should we abolish the health insurance clubs as Dr Wijner recently suggested?

[Verhofstadt] I don't advocate dissolving them simply to replace them with a large centralized bureaucracy as Wijner suggests. A centralized bureaucracy doesn't solve anything. It only makes things worse.

Phaseout

[Question] Can the government cope with a drawn-out strike by the civil service?

[Verhofstadt] The government itself has declared that it is willing to study alternatives for its austerity plans, and there will be such plans in the near future. The question is simply whether there will be just a different concession as an alternative or whether there will be a more basic solution. If we institute a complete hiring freeze, there would be 1,300 /fewer/ government jobs created each year. The cost of this would amount to abolishing the

biennials. [Biennial cost of living adjustment?] Considered in this way, people are actually being victimized by their own unions. With a hiring freeze without compensation, the ranks of the civil service would of course remain at about 890,000. At first the unions demanded that this number be allowed to continue increasing slightly, something which would entail more government expenses. Now they refuse to make the necessary concession. The excessively large civil service is one of the country's problems as it is. If reorganization efforts are limited to operation costs, the result will be an impoverished and dispirited civil service.

[Question] Will the union front become a force again?

[Verhofstadt] Evidently this will happen in the Walloon district sooner than in Flanders, but it simply cannot be allowed to endanger the government. Otherwise, it would turn out that one part of the government would be excessively influenced by a pressure group, putting us back in the straits we were in for years. In that situation, nothing can be resolved anymore without some interest group opposing it. Because of what is happening now, the government has a prime opportunity to demonstrate its independence of the pressure groups.

[Question] But all the pressure groups--from the Flemish Economic League to the unions--are against the government now.

[Verhofstadt] Management is made up of people who have never in their lives made a clearly liberal choice, but they loudly proclaim that policy is not liberal enough. This is anything but sincere. If they vote for a certain policy, then they should vote for the party advocating that policy. The country is full of people who vote for lack of clarity and then expect clarity.

[Question] And you believe that we in Flanders have an electorate of at least 63 percent liberals?

[Verhofstadt] We determined that by a survey. With our information campaign called The Path of Free Choice, we wish to make clear to the Flemish population that they exhibit deep-seated liberal habits in their everyday affairs. The message that we intend to get across in our campaign is this: "If what we propose sounds altogether logical to you--trimming down government, the welfare programs, etc.--and if you want to see our proposals put into practice, then we can do it only if we receive solid support."

[Question] How much phasing out is intended by Undersecretary Waltniel in his proposals?

[Verhofstadt] Up to now, savings were always made by reducing expenditures without trimming government itself. But we have come to realize that no serious budgetary policy is possible in this way. It serves no purpose to make a poor bureaucracy out of a rich one. The Waltniel solution only seems spectacular because the ideas behind it are unusual. But it is in just this way that the ideas of privatization and denationalization begin to be discovered: to dismantle the state piece by piece, to abolish it, to privatize it. This includes Refribel, the state monopoly of Maritime Transport, and branches of

Sabena. The only question here is whether the stockholders will take the risk of using their billions. Will they be willing to assume part of what the government now does? We must offer concrete examples to the people, examples that show that things can be different, done at less expense, if we let some things be done by the private sector.

[Question] Cultural matters as well?

[Verhofstadt] Here is our position on that. Let's let patrons and sponsors support culture, instead of the state subsidizing it. How can we make sponsoring cultural productions attractive to people who have money for it? By tax incentives. That is the liberal approach. But at present it is extremely difficult for us to get this liberal view of financing the cultural sector accepted because of the state reform of 1980. There is a structural problem. Sponsoring cannot be introduced and encouraged with tax incentives because the authority in cultural matters is vested in the Flemish Administration and the fiscal system is administered by the central government. This arrangement was defined by the expansion legislation. Gaston Geens says that he wants to replace the government allotments with a more favorable tax system for business. But he is either unable to do this, or maybe he doesn't really want to. He can't do it anyway, because you can't lower a tax liability that you don't have in the first place. The only thing possible that I can see in the area of culture at present is the so-called bicultural sector, the sector that seems to interest Willy De Clercq and Daniel Coens. The same institution that subsidizes the Brussels Opera, for instance, i.e., the central government, has taxing authority as well. Fiscal incentives could be introduced on a trial basis for the large companies wishing to sponsor productions at the Mint, and this would allow the reduction of subsidies to this institution.

[Question] But the cultural policy now being formulated by your Minister Poma doesn't seem that attractive at all. Why not?

[Verhofstadt] The media descriptions of it are unfair. The liberal view of cultural policy is very clear and totally different from any policy conducted before. The only problem is that the institutional pathways have been blocked, and now even a Liberal minister of culture is forced to work within limits set too narrow for our policy. The only way around this institutional impediment that I can see is the bicultural sector in Brussels. We might be able to gather sufficient evidence from experiments in this sector to get negotiations started between the national government and the communities. In the future, we could agree to transfer some fiscal authority. I find that even those people in the cultural sector are tired of depending on the bureaucracy, on subsidies, cumbersome regulations, mediation, etc. The most blatant injustices exist. The thing of value is the very thing that receives no subsidy. There is great danger in the fact that the government now completely manages and controls culture. The state decides what is worthy and what isn't. Things are even reaching the point that the Order in Council, which regulates the vzw's [non-profit organizations] is ruling that they may receive tax-deductable gifts only if they have been granted to a subsidy. The tentacles of the state penetrate so deeply into intellectual and cultural life here that by withholding

subsidies the state can also prevent private individuals from making donations. This is tantamount to saying that the government does not like to see people be self-supporting or be able to become so. In the United States, culture is everywhere thriving with a system of private financing. An international comparison would show that creativity is now fast drying up, that Europe, for example, is noted more for the perfection of its productions than for any creativity being achieved there.

[Question] The sort of change you have in mind is quite drastic, Mr Verhofstadt.

[Verhofstadt] The trouble is that you can't even get started on it because of these laws regulating institutions. The minister could conduct the policy very easily. Our tax assessment rate is so high, and the slightest relief would be very appealing. If we can arrive at a system in the bicultural sector and if talks fail to get underway between the Flemish Community and the national government, then the Flemish Community should of course be prepared to forego its subsidy. I realize that it is very difficult to convince politicians of this. They would have to surrender part of their authority, of course. But that is basic to our liberalism. The question is this: Is today's generation of politicians sufficiently prepared to yield its prerogatives?

Bureaucracy

[Question] With you there's always the problem that what you say sounds attractive, but that as an instrument of public opinion we must always examine what your ministers are doing and how you are exercising power.

[Verhofstadt] That's why we have to make it clear to the people what the problems are that we, that the ministers encounter in the daily conduct of policy. Naturally, we strongly support political stability. We want to achieve as many goals as possible in this administration. But we are far from being naive. At the same time, we are analyzing what we are unable to do. Who and what are impeding us and why? we ask. If we fail in trying to attain this or that goal, we will admit it and at once explain to the public who is holding things up. It is still crucial that we now--however modest this may sound to some--take the first step to decollectivize our country and lead it out of the crisis. That is the all-important point.

[Question] Isn't the weakest point in all of Belgium's political life the fact that liberals and socialists alike have their backs to the wall and are in turns both dependent on the Christian Democrats?

[Verhofstadt] By the way they vote, the electorate sets the terms by which the politicians must operate. That is the issue. The electorate must be kept informed if they are to make the clearest possible choice. And then you also have to have time in politics, too--time to persevere. Mitterrand waited 23 years, and Begin even 29. I think that in Flanders there are at least 60 percent of the populace who think liberal, but of course they don't always vote for the PVV. Unjust as it is, doubt still exists concerning our

true Flemish and pluralistic dimension. But when we succeeded in going from 10 percent to 21 percent of the voters, it became clear that a lot of pro-Flemish voters and Christian Democrats switched to us.

[Question] How dead is the De Croo argument for a coalition with the Socialists? There seems to be no other way to snatch the reins of state from the hands of Wilfried Martens and his Christian Democrats except by supporting such a coalition.

[Verhofstadt] I'm indifferent to whether Martens or Willy Claes is in power. All I know is that every Socialist proposal always calls for more collectivization. Everything they propose implies an expansion of state bureaucracy. The bureaucracy is staffed by the CVP--that's their problem. All they want is more and more state, more and more collectivism, regulation, intervention. I'm not interested in who's running the government, even when it's the Liberals as was the case during the Giscard Administration in France. My problem is that the state has grown too powerful and is suppressing people's freedom and creativity. If I spot someone who wants to do something about that, I want to work together with that person. So the question is not this or that party. The fundamental issue is whether we are headed for a society that depends on its people or on its bureaucrats. That's what it is all about.

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COMMUNIST NEWSPAPERS, SOVIET PROFESSOR ON PILOTS' BOYCOTT

U.S. Committed 'Brutal Act' Says Stalinist Paper

Helsinki TIEDONANTAJA in Finnish 8 Sep 83 p 2

[Editorial: "A Brutal Act"]

[Text] Little by little the facts start emerging amidst the clamor, which has assumed incredible dimensions, and it is getting as clear as can be that the political leaders of the United States and Mr Reagan are guilty of the fate of the South Korean airliner. The United States ordered the plane to violate Soviet airspace, and it aimed at a catastrophe, which, then, was also achieved. The United States strove for this in order to increase tensions in international relations and to lay the base for a conflict with the Soviet Union. The United States and President Reagan personally are guilty of the destruction of the plane and the loss of human lives.

In itself, this is nothing new. As the Soviet Union says in its official statement, the political leadership of the United States has already earlier made itself guilty of murderous acts. It had millions of Vietnamese killed in an absurd war. It is destroying Lebanese and Palestinians without any concern and carrying on war against Nicaragua and destroying tens of thousands of Chilean and Salvadorian patriots. If it now has more than two hundred air passengers killed, that is nothing compared to those mentioned earlier. The person responsible for this exceeds the limits of humanity while pretending to act in the name of humanity. That is what all imperialistic representatives of violence have always done.

Now the question is how to punish the United States and its president for the brutal act. The United States should not only be punished for the deliberate destruction of the South Korean airliner, but also for all the murders the United States has committed around the world.

In addition to this task, one has to keep in mind that, as the leader of the United States imagines that he can make the world believe that it is a question of hard words only, not acts, and that, despite his childishly harsh words, the leader of the United States supports mild action, sufficiently brutal and extremely harsh language is an act in itself. Of course, it has to be rejected and struck back, for otherwise the real situation, caused by harsh words and

childish behavior, may get worse and further increase tension up to the breaking point.

The unfortunate fate of the passengers aboard the South Korean plane shows in a concrete way what the imperialism of the United States is capable of doing.

Soviet Scholar: Won't Affect Relations

Helsinki UUSI SUOMI in Finnish 14 Sep 83 p 40

[Article: "Professor Alexander Borisov: The Boycott Will Not Affect Relations With Finland"]

[Text] "I do not believe that the Finnish pilots' boycott of flights to Moscow will affect the relations between Finland and the Soviet Union. The relations between the two countries are on such a good base that a secondary matter like this will not shake them," said Soviet Professor Alexander Borisov at the press conference held in Helsinki on Tuesday. Mr Borisov is employed by the College of International Relations in his country.

Professor Borisov remarked that the Soviet Union pays the most attention to the official statements in matters of foreign politics, and that they are crucial to the relations with the Soviet Union.

"In our relations the fundamental lines are the most important. Sometimes it happens that different groups disagree, or they are mistaken, or they misunderstand a matter," he said.

Mr Borisov repeated the official Soviet statement with regard to the downing of the South Korean civilian airliner. According to it, the Soviet Union is not responsible for the incident, but the United States is. However, he found it deplorable that innocent people lost their lives.

Mr Borisov pointed out that, in a way, this tragic incident is a reflection of the difficult international situation. At the press conference he said that international tension generally tends to make all conflicts emerge.

Moderates' Organ Deplores Boycott

Helsinki KANSAN UUTISET in Finnish 13 Sep 83 p 2

[Editorial: "The Decision of the Pilots"]

[Text] The decision of the Finnish commercial pilots to join, because of the shooting down of the Korean airliner, the boycott of flights to the Soviet Union, declared on the initiative of respective organizations in the NATO countries, was surprising and one-sided in its direction, forgetting the Korean company in its decision.

The commercial pilots' concern about safety risks is understandable and fully motivated. As for the international boycott decision, it is, in addition to

that, far-reaching politics, which causes further tension in the already difficult international situation. One would have expected that the Finnish commercial pilots would have directed their attention to these factors when making the decision.

Stalinist See U.S. Provocation

Helsinki TIEDONANTAJA in Finnish 13 Sep 83 p 2

[Editorial: "The Boycott"]

[Text] The decision of the Finnish commercial pilots' union on the flight boycott has been misleadingly characterized as a decision based on responsible people's deliberation in order to guarantee safety at work. That is exactly how one cannot characterize what has occurred.

It is not at all a question of guaranteeing safety at work or obtaining it, but an exceptionally ignorant attitude toward the flight provocation organized by the United States, which is becoming clearer and clearer day by day.

Finnish commercial pilots deny that their boycott is political. That is, indeed, a childish attempt to cover up a political act carried out at the request of the U.S. president on Mr Reagan's crusade against communism.

It would have been much fairer to say directly that, on the order of Mr Reagan, the international commercial pilots' union forced the Finnish pilots to join the boycott. In that case it would have become more understandable that, all of a sudden, the Finnish pilots were awakened by flight safety, although they were sleeping for instance when the Israeli military plane shot down the Libyan civilian plane, which had deviated from its route into foreign airspace only for 13 minutes. It would be very interesting to hear the Finnish commercial pilots' explanation of this. The nation is awaiting, as it is said.

Without having any connection at all with what the Finnish pilots want or imagine, their act is a clear political support of the United States' provocative espionage flight and its consequences. It is a great pity that the Ministry of Foreign Affairs in Finland did not advise the pilots, or did it want, by keeping silent, to give a quiet, covert approval. If that was the case, it would be unbelievable. It cannot be like that.

Nevertheless, the act of the Finnish pilots has already attracted attention in the world. Of course. It is true that Finland is not finlandized. Now one can see it. Against the Soviet Union with eyes covered. It will draw attention at a time when the United States directly or through its provokers is destroying thousands of people in Central America and elsewhere.

Now it is opportune to increase international tension and to interfere in the war in Lebanon, against Syria and the independence of Lebanon, when even the Finnish pilots' trick astonishes the world.

But despite all, there is reason to hope that, regardless of the U.S. president's orders, the Finnish pilots, after all, are independent and able to reconsider their decision. One has to, honestly, hope for that.

There is reason to give up the (false) illusions that the pilots have said they had been given by Finnish mass media, and based on which they made their boycott decision. One should not believe everything that, for instance, the Finnish broadcasting company (YLE) says, not to mention the leading articles in HELSINGIN SANOMAT.

Air Boycott Part of Post-Kekkonen Policies

Helsinki KANSAN UUTiset in Finnish 16 Sep 83 p 2

[Editorial: "It Is Time To Take In Sails"]

[Text] Lately Finland has been a target for embarrassing foreign political attention. The ballgame with President Koivisto's visit to the United States has been almost humiliating. Its purpose has been to subordinate the era of liberty, which started with the election of Koivisto, to the patterns which suit the United States. The leaders of our foreign policy have been so diplomatically silent and calm that it raises a question of voluntary submission.

The air controllers made a proper decision on the boycott issue, but it does not really make up for the damage the pilots caused to Finland. The pilots made such a political decision that there has not been anything like that in Finland since the war. One professional group is openly against the Soviet Union, giving its approval to the espionage flight organized by the United States. The provocation, whose characteristics are clearly visible, confused the Finnish pilots' judgement.

What emerges from situations like this is the change in post-Kekkonen times. The era of freedom in foreign policy appears as freedom from reason, moderation and friendship. The Yankee hysteria has shifted from sports into foreign policy. Foreign policy has become sports almost in the same way as in the pre-Kekkonen era. The consequences are frightening. At this stage there is no point to be hypocritical and express touching wishes with regard to the foresight and realism of the leaders in our foreign policy. On the contrary, there is reason to ask why no one interferes.

Now it is time to pull in the era of liberty. If we are capable of doing that.

Air Controllers' Decision Backed

Helsinki TIEDONANTAJA in Finnish 15 Sep 83 p 2

[Editorial: "The Right Decision of the Air Controllers"]

[Text] Finnish air controllers are more deliberative than Finnish commercial pilots. They did not join Mr Reagan's hypocritical politics.

It would have been stupid to join the Finnish commercial pilots' boycott, which one has not been able to motivate. Their referral to flight safety, in this connection, is without grounds.

Furthermore, one has to hope that the Finnish commercial pilots would notice how the United States is taking advantage of them for its own political purposes, and that they would come to a better solution than the present one.

Soviet Journalist: Officials Should Intervene

Helsinki TIEDONANTAJA in Finnish 16 Sep 83 p 14

[Commentary: "The Director of APN on the Flight Boycott: Why the Ministry of Foreign Affairs Did Not Do Anything"]

[Text] The director of the Soviet news agency APN in Helsinki, Yuriy Kirejev, is wondering why Finland's Ministry of Foreign Affairs did not prevent the decision, made by Finnish commercial pilots, to boycott flights to Moscow.

"Although the pilots are a small group, they are from a country which is friendly to us. The boycott does not help to develop our relations," says Mr Kirejev.

According to the director of APN, political leaders do understand that every boycott carries also a political sign.

According to Mr Kirejev, the decision made by the pilots may end up under embarrassing light if all the details from the Korean flight are found out. He found it strange that the Japanese and American air controllers have not been willing to reveal all their information on the flight of the Korean airliner.

According to Mr Kirejev, the Korean airliner was gathering intelligence on areas which are strategically important to the Soviet defense system. According to him, the plane did not have any navigation lights on, and even the passenger cabin was dark.

12190

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STRUGGLE OVER PRESS ORGANS WIDENS RIFT BETWEEN CP FACTIONS

Moderates' Organ Attacks Stalinist TIEDONANTAJA

Helsinki KANSAN UUTISET in Finnish 10 Sep 83 pp 18-19

[Article by Maija Aalto: "TIEDONANTAJA's Magic Sphere"]

[Text] The most visible manifestation of the differences in the Finnish Communist Party, TIEDONANTAJA, began from a small beginning almost a decade and a half ago. TIEDONANTAJA, which has reached its teens, has developed into an important influence broker in the SKP [Finnish Communist Party], and now the adoptive parents are feverishly seeking family harmony.

The difficult child is now being offered a soft landing as a member of the official family in the proposal worked out by the SKP's press work group. However, the teenager wants to be independent, to choose its own comrades, and to secure its position. For this it has many reasons.

TIEDONANTAJA was born into the bosom of the SKP's Uusimaa District Organization. Its first issue appeared under the name TIEDOTE in 1967. Initially, there were few pages and it appeared infrequently.

In the following year a contest to name the child was organized and the first TIEDONANTAJA was published at the end of that year. The Uusimaa District Organization sent the newspaper in large bundles for distribution outside of its area of jurisdiction.

The 15th Congress of the SKP held in 1969, from which the party's minority walked out to hold its own meeting, meant a decisive turn for TIEDONANTAJA. Other district organizations of the SKP's minority joined in the publishing of TIEDONANTAJA and it became a nationwide policy maker.

From the very beginning as a newspaper TIEDONANTAJA has functioned in the manner of a meteorologist as well as a barometer. It directs and predicts the behavior of the SKP's minority at the same time that it reflects the results of its own work by citing the opinions of the "rank and file".

TIEDONANTAJA and the Association

TIEDONANTAJA is, however, much more than a political newspaper appearing four times a week. It is the earthly part of a large organization, the sporangium raised by an extensive mycelium, in whose background there is an intricate network of associations engaged in ideological and economic activities.

TIEDONANTAJA is published by the Tiedonantaja Association, a registered association, whose first chairman was MP Ensio Laine from Turku. However, he was soon replaced by Markus Kainulainen, secretary of the SKP Uusimaa District, who continues to wield the chairman's gavel.

The present secretary of the association is Yrjo Hakanen, who also works as the political secretary for Taisto Sinisalo from the offices of the Ystävyyss Matkat [Friendship Tours] Travel Agency. The most important key figures of the minority from various parts of the country are members of the board of directors of the Tiedonantaja Association.

Urho Sven Valdemar Jokinen has been the chief editor of TIEDONANTAJA since its inception. At the end of last year Jokinen received a state pension for journalists in a special political distribution, but he continues in the job of chief editor. This is a clever way of obtaining direct state support for defraying wage expenditures at TIEDONANTAJA.

The Kursiivi Printing Shop

The Uusimaa District's TIEDOTE was originally printed by NURMIJARVEN SANOMAT. In 1969 the printing was transferred to the Kursiivi Company under the ownership of TPSL [Social Democratic League of Workers and Small Farmers], and by the middle of the 1970's the situation was such that Kursiivi's three-man administration was made up of Kainulainen, Jokinen, and Sinisalo.

Then Kursiivi began to experience economic difficulties and TIEDONANTAJA's finances also suffered from this. Thus TIEDONANTAJA was moved from its own printing shop in 1981 to the commercial printing shop Karprint. This move resulted in the dismissal of more than ten employees of Kursiivi and also in legal action. Kainulainen, who acts as chairman, as well as Jokinen are still members of Kursiivi's management.

One of the more important organizations behind the scenes at Kursiivi is an association called Tieteellisen Sosialismin Tuki [Support of Scientific Socialism], whose chairman is Markus Kainulainen and vice-chairman is Urho Jokinen according to the registry of associations.

In addition to the Tiedonantaja Association, the SKP's minority has also created other organizations for managing the operations of parallel newspapers, of which, indeed, some have ceased to exist. ENHET, TOVERI, PIONEERITOVERI, and KOULUTOVERI are names familiar to people in the organization.

Area of Operations Covers Whole Country

Minority leader Taisto Sinisalo continues to call TIEDONANTAJA a district newspaper even though the paper has operated on a national level for more than 10 years. It has its own circulation departments in every SKP district organization and in addition to the main editorial office in Helsinki, the newspaper has secondary editorial offices with editors in Turku, Tampere, Oulu, Kemi, and Rovaniemi.

In addition to the five district editors and the 11 fulltime editors working in the main office, TIEDONANTAJA has four foreign correspondents in socialist countries. There is approximately a total of 25-30 employees in this "district newspaper".

Circulation Unknown

There has never been an official circulation report made at TIEDONANTAJA. The newspaper reported to the League of Newspapers that last year's circulation was 30,300 copies, but in its own columns the newspaper talks about a circulation of 25,000 copies.

Not even the SKP's press work group has received any exact data, but estimates of a domestic circulation of 10,000 are perhaps closer to the truth. The number of copies printed can, of course, be significantly greater: at least in past years TIEDONANTAJA has been known for the practice of sending out "introductory copies" for several years. The forceful street sales of single copies in the recent past has subsequently fallen off.

Economic Miracle

And what about TIEDONANTAJA's finances? The newspaper receives from the government a small amount in a subsidy for transportation, but nothing, for example, in parliamentary press support or trade union press support.

According to the report submitted to the League of Newspapers, TIEDONANTAJA's sales turnover 2 years ago was 3.9 million markkaa. As far as is known, operational losses were, however, greater than this figure last year, for example. To cover these losses the newspaper did not receive any state assistance in the form of support for political parties, by which newspapers of the people's democratic movement can supplement their finances to some degree.

Naturally, the circulation departments conduct money-raising campaigns to benefit TIEDONANTAJA. The newspaper conducts a continuous and visible support campaign among its readers and money is also generated from May Day and New Years greetings, which TIEDONANTAJA always receives in respectable amounts.

Since there is a desire to keep TIEDONANTAJA's primary financial source secret, it is fitting to assume that the placement of property in the SKP's minority districts under the protection of a foundation is somehow connected with the newspaper's finances. An extremely undemocratic decision to place

jointly owned property under the protection of a foundation was made in the SKP's districts of Turku and Tampere. By such decisions it is possible to prevent the organization's buildings, among other things, from ending up in the "wrong" hands as well as to direct funds in the manner desired by the minority leadership. One of the minority's magic sources of money in the Uusimaa District is the dance hall, Helsinki Pavilion, which the district organization has leased to Sotunkylan Viiri Temperance Society. The temperance society, whose chairman happens to be Markus Kainulainen, debited a minus monetary sum as the Pavilion's income to the district organization last year.

From time to time there have been rumors in the SKP about great economic difficulties in TIEDONANTAJA. In one way or another the newspaper has, however, come out of these difficulties without having to reorganize while it has been necessary to reduce operations in other newspapers of the people's democratic press.

"Free of Indecisiveness"

TIEDONANTAJA functions as a political factor only within in the SKP. There are very few examples of its influence in the life of society, on the whole.

In spite of its unofficial position, TIEDONANTAJA helps to create that impression of the SKP which is received by outsiders. This became most graphically evident the last time in connection with the presidential elections when TIEDONANTAJA endorsed Ahti Karjalainen as its candidate. One of the most dramatic movements in Finland's political life in a long time was the conduct of the minority's electoral college members directed by TIEDONANTAJA in the actual presidential elections.

Throughout its whole existence TIEDONANTAJA has waged a struggle for power in the SKP. The newspaper has a few fundamental positions on which it leans in this struggle. The most important fundamental positions are that since 1969 the SKP's leadership has been in the hands of rightwing revisionists and that the SKP's majority and the SKDL [Finnish People's Democratic League] in its entirety are anti-Soviet. TIEDONANTAJA constantly warns against these self-created "errors" and criticizes the SKP while demonstrating that the majority of the membership is of the same opinion as the newspaper.

Over the years TIEDONANTAJA has been of a different opinion than the SKP innumerable times. The politically most significant differences of opinion have evolved around the issues of the events in Czechoslovakia, participation in the government, the presidential elections, labor contract goals, and the SKDL.

TIEDONANTAJA also differs from the press of the people's democratic movement in the use of its language. Its political articles have their own peculiar, orthodox stamp, which is reflected in such headlines as: "Free of Ideological Indecisiveness", "Miraculous Maneuvering of Government Policy", or "Hard Blow to Revisionism".

Hentila: Survival of SKDL at Issue

Helsinki KANSAN UUTISET in Finnish 10 Sep 83 p 13

[Commentary by Jorma Hentila]

[Text] The SKP's press solution is primarily political. The money issue is secondary, even as important as it is.

The existence of dual newspapers is not the cause and the essence of the SKP's problems, but a manifestation of the difficulties in the party itself. The elimination of dual newspapers will not in itself resolve the SKP's conflicts, but will only change the way in which they will be manifested. However, the elimination of parallel newspapers and their competing truths can make the alleviation of these problems possible, which will make for a healthier organizational situation. Except for the pioneers, this is the course that has been taken in the youth movement.

The question is whether the SKP's conflicts have been alleviated to such a degree that Finland's federated communist party can once again become the Finnish Communist Party. If they have become alleviated, then the federations will no longer have a need for their own newspapers.

But have they?

In the background of the internal division in the SKP there must be a settling of accounts with the Stalinist past. As a party, the SKP has not yet accomplished this: it has not yet had its own 20th Congress. Perhaps next spring?

On the other hand, part of the party, its majority, began to put distance between itself and the phenomena and practices of the Stalinist era in the beginning of the 1960's. It was, among other things, a question of the expansion of internal democracy in the party, an increase in the SKP's own decisionmaking power in issues concerning party policy, a greater emphasis on national traits peculiar to Finland in the formulation of SKP policy, and a reevaluation of certain theoretical tenets. These were those bedbugs which Aimo Aaltonen proceeded to shake loose from the SKP's flag after losing the chairmanship position at the 14th Congress in 1966.

But these new ideas did not immediately result in strict differences of opinion. In the "November manifesto" document on "Political Theory and Finland's Path to Socialism" the SKP developed a policy line in a perceptibly different manner than before. And this document was approved unanimously by the Central Committee in the fall of 1965. As the conflicts became more pronounced after the 14th Congress, certain minority members began to explain that at that time, in the fall of 1965, rightwing revisionist forces had acquired such a hold that healthy forces had no other choice but to acquiesce to the approval of this document (!).

Since 1969 the SKP's program has been an outright continuation of that "November manifesto". But the minority has never recognized this as an SKP program even though the program was concluded on the basis of a rather good mutual understanding.

There are many essential questions with respect to the future of the SKP.

Has the SKP matured to a state of real internal democracy? During the years of internal struggle the right of the members to express their opinions has been trampled under the feet of factional obedience and compulsory subservience to leaders; if you do not follow and be subservient, you are expelled from the flock. Many have left voluntarily.

I cannot help but be skeptical with respect to the old guard in the minority faction, which has received a Stalinist education. But there are also alarming manifestations of undemocratic behavior in that section of the SKP which two decades ago raised party democracy as the one central demand for reform.

Do we now have a situation in which authoritarian forces, arch conservatives in the majority and in the minority, have come closer to one another and in which the question of democracy, in fact, no longer runs along the traditional majority-minority dividing line in the SKP?

Does the SKP have the desire and the ability to use its own reason in deliberating a policy of action under the conditions of a developed capitalist society? Using one's own reason does not mean a rejection of the basis of the party's Marxist theory or of the experience gained in the building of socialism -- either positive or negative. But it means a rejection of such subservient thinking which accepts the concept that it has been predestined that there is greater wisdom somewhere else in issues concerning Finland and SKP policy than here in Finland, in the SKP, and in its membership. Using one's own reason does, indeed, require stimuli from the outside world, an animated interaction between Marxists of the socialist and capitalist world. An outsider may see an issue more clearly than we ourselves, and one should only be grateful for such keen perception.

Is the SKP capable of rethinking the relationship between the individual and society, a person's position in production? Is it capable of turning itself in such a direction that decisionmaking on behalf of the people is counterbalanced by the authority of the people themselves to make decisions? Does it have enough trust in the people that it dares to think about the building of a socialist Finland in a primary dependence on the autonomy of the people? Is the SKP ready to rethink the relationship between man and nature, the problematics of technological development, and the real opportunities offered by continuing economic growth? Does it have the courage to give serious consideration to promoting the new distribution of power reserves in our own country and between nations?

In answering these questions the SKP will answer whether it wants to remain and become stronger as a party, which will affect the future of our nation,

or whether it will condemn itself to a fate of insignificance, a name in the listing of the world's communist parties without any real significance in its own country.

In answering these questions the SKP will also answer whether it is capable of continuing cooperative work with the Socialists and other leftist forces in the SKDL and make its own contribution to the creation of conditions for halting the downhill slide of the SKDL and for beginning a new upward growth or whether it will irrevocably destroy this cooperation.

The SKP has reason to remember that the Socialists who are in the SKDL as well as those Socialists, in general, who are in the SKDL, but do not belong to the SKP have voluntarily chosen this cooperation. They will also decide to bring an end to this cooperation if they consider that there are no longer any conditions for cooperation with the Communist Party.

The press solution and the reform of the SKP's program are inextricably tied up with the above-described set of questions and problems.

If the program reform proceeds in such a direction that an attempt is made to seek a compromise among the SKP factions on the basis of those points in the 1969 program which the minority has rejected, no good will come of it. No ecological cosmetics or anything similar will conceal the fact that the SKP will be taking a step backward. However, from the 1969 program there is only a lasting path forward.

Correspondingly, if the establishment of a newspaper for the SKP -- a weekly paper or a daily paper -- will create an official forum in place of the factional paper which will only strengthen conservative and dogmatic positions in the SKP, it will be a disaster for the SKP. It will drive members away from the SKP, will put distance between the SKP and others in the SKDL, and could result in such an impasse that the SKDL will no longer be able to continue its activities on the basis of the present basic structure.

The establishment of a daily paper for the SKP also entails other dangers, which will primarily be the result of the tactical aspirations of the minority -- or at least a portion of it -- connected with the press solution.

It is said that the SKP must be strengthened and its visibility increased. It is doubtful that anyone in the people's democratic movement would oppose this. But the question is how this will happen. If the SKP develops ideologically and theoretically, becomes more active from an operational point of view, and becomes stronger from an organizational point of view, this will be a victory for the whole people's democratic movement and at the same time a challenge to other forces in this movement. But if the SKP attempts to raise its head above others by pushing others down, the crisis in the people's democratic movement will become more serious and the tendencies toward division will become stronger.

The repartee, "a small man must act in such a way", that I heard depicts an old aspiration of a certain portion of the minority to weaken the SKDL

politically and organizationally so that its own influence in the SKP and in the whole people's democratic movement would increase.

If the press solution means a weakening of KANSAN UUTISET and through it the SKDL at least in a portion of the minority -- as has been my understanding -- this will be tantamount to the destruction of the SKDL and the cooperation taking place within its framework. The continued existence and strengthening of the SKDL is essentially connected with the future of KANSAN UUTISET as the nationwide chief organ of the SKDL and the SKP. If KANSAN UUTISET is ruined by the press solution, the SKDL will also be destroyed.

Real wisdom is now being demanded of the SKP Central Committee and all SKP members. No one will dispute the right of the SKP to make its own decisions regarding the publication of its own newspaper, but the SKP must also see what the consequences of these decisions will be and bear the responsibility for them.

The future of the whole leftwing workers' movement in this country hangs in the balance.

Stalinist: Moderates Use Western Press Services

Helsinki TIEDONANTAJA in Finnish 21 Sep 83 p 12

[Commentary by MP Matti Kautto]

[Text] In his speech at the 65th Anniversary of the SKP in Lahti MP Matti Kautto examined, among other things, the press decisions made by the SKP Central Committee. Below is an excerpt from that portion of his speech. Kautto is a member of the board of directors of the SKP's new newspaper.

The SKP Central Committee has finally accomplished a day's work and has begun to create a communist newspaper for the SKP.

The bourgeois preponderance in the press must, indeed, be crushed. Workers' newspapers make up only approximately 10 percent of our country's press. However, the leftwing receives more than 40 percent of the votes. The circulation of communist newspapers accounts for approximately 1 percent even though SKP support is more than 10 percent. Thus the premise of the Central Committee is correct: the communist press must be strengthened.

The situation regarding the people's democratic press has been intolerable. KANSAN UUTISET, which has been named the chief organ of the SKP and the SKDL, has not even attempted to appear as a newspaper of the whole movement. Even now it is opposing the diversification of its editorial staff for the purpose of better representing the whole movement.

Quite frequently KANSAN UUTISET appears in a manner which does not correspond with the requirements established for a newspaper of the Communist Party. For example, it frequently reports on issues in the Soviet Union and other socialist countries -- not through TASS or its own correspondents -- but from

Western news agency sources. Completely on its own initiative it has carried out an editorial policy of writing articles in support of Solidarity and against socialist Poland and the PYTP [Polish United Workers' Party].

Even without saying it should be clear that no party can permit a policy line directed against itself from its own newspaper, which it itself publishes. In this respect KANSAN UUTiset has achieved a precedent with respect to the treatment of the press question. Even after the Central Committee approved the guidelines of the press solution with a large majority, the newspaper has opposed this undertaking.

The treatment of the press question in the people's democratic press demonstrates that the SKP's problem is not the problem of so-called dual publicity. One publicity is in accordance with the party stand and the other is against the party's decisions. For example, TIEDONANTAJA has been the only newspaper in the press question which has adhered to the party stand.

TIEDONANTAJA, which is published by the SKP's Lahti District together with seven other districts, has been and will continue to be of considerable importance to the activities of the SKP. Its continued existence and development are demonstrations of the "market opening" for a communist newspaper in our country.

TIEDONANTAJA, as a newspaper of eight districts, has not, however, been able to fill that opening which the paucity of the party's communist newspapers has created. Our work has also been complicated by the continuing discrimination to which we have been subjected on the part of trade union and state press support, for example.

Even though the new paper cannot be any kind of a copy of TIEDONANTAJA, the experiences gained from the publication of TIEDONANTAJA will be important in the founding of this paper. The new paper should take from TIEDONANTAJA its best aspects -- its ideological policy line, its position based on the workers' class consciousness, its party orientation as well as its unwavering work on behalf of Finnish and Soviet friendship and existing socialism.

The new paper, already with respect to its position, has the opportunity to do all this better. It will be a paper of the whole party and thus it will become a reflection of the whole party. It will thus have much better opportunities for conducting mass communications and also for conveying a more extensive experience as well as for developing a larger circulation. The Central Committee also has good opportunities for creating a stable economic base for the new newspaper. This is to be created with the help of the membership as well as with an equal position for the new paper and all district papers with respect to press support.

The Central Committee only adopted a direction regarding a new organ for the Central Committee in its press solution. Hopefully, the 20th Congress of the SKP, to be held at the end of next May, will succeed in making a decision.

There will be those who will be intent on undermining this venture. The only way that the failure of this solution can be prevented is to include the vast majority of the membership in its planning, debate, and implementation. TIEDONANTAJA has been and will continue to be of great significance in this work. Thus exceptionally great importance should now be given to this work on the part of TIEDONANTAJA.

The press solution is not just a question of a newspaper. It is a question of the SKP and its independent future as a mass Marxist-Leninist party of the working class. The accomplishment of a solution will not be possible without a far-reaching change in the party's situation, as the Central Committee has also stated.

The SKP as it now stands is not capable of publishing a communist newspaper. Thus the 20th Congress of the SKP is faced with great demands. In fact, demands greater than those faced by the unified and successful congresses of the 1970's. This holds true in the ideological, political, and organizational sense as well as in the election of a leadership. Without a doubt, the attitude toward the new paper and work on its behalf will become an important criterion in electing a leadership. He who believes that these results can be achieved at the 20th Congress by waiting will certainly be mistaken. The success of the new paper or a weekly paper and its sample issues will be of special importance. A careless and irresponsible approach to the publishing of these papers will be the easiest way to sabotage the whole idea of a party paper.

As a member of the board of directors of this new paper I can now already state that the party and the administration of the new paper will have to work very hard and the 20th Congress will have to succeed well if we intend to publish a new party paper appearing four times a week in the beginning of 1985.

What then should the new weekly paper be like? This question should not just be considered among those compiling the paper, but among the whole membership. I would like to take the liberty to contribute a few ideas to this debate.

The premise should be that the weekly paper will be a bridge between the present situation and a daily paper.

The paper should carry the stamp of a workers' paper. This should also be seen in its name. Its orientation should be toward places of employment and it should convey the experiences of workers. For this purpose an extensive network of workers' correspondents should be developed.

A weekly cannot be a so-called "news paper", but it must also not be a theoretical periodical. It should provide more thorough analyses, evaluations, and background behind events.

Also the paper cannot be a members' or organizational paper. Its limited column space cannot be sacrificed to the publication of long decisions. Naturally, its editorial policy will be in accordance with the decisions and it should provide the bases for policy and decisions.

The new paper should contain debates, but it cannot degenerate into a pluralistic absence of policy.

In a word -- the new paper should become a newspaper of the working people, a tool in its actions on behalf of a better future.

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CP CENTRAL COMMITTEE DECISION ON PRESS LEAVES PARTY DIVIDED

Stalinists Angry at Leader

Helsinki UUSI SUOMI in Finnish 13 Sep 83 p 6

[Article by Juha Partanen: "Strict Minority Abandons Sinisalo"]

[Text] The press decision made by the Communists on Sunday does not seem to have produced the expected harmony. On the contrary, the decision was subjected to immediate conflicting interpretations, which point to a continuation of the bickering.

However, it is becoming ever more evident that the SKP [Finnish Communist Party] is no longer divided into two factions, but at least into four factions. The press decision was supported by the majority in the minority faction and the Kajanoja wing of the majority.

Urho Jokinen, the undisputed chief editor of the minority's TIEDONANTAJA, went his own way yesterday in interpreting the decision. "TIEDONANTAJA will not be stopped from publishing, but it will continue to publish and grow," he says.

Thus Jokinen has departed on a path different from Taisto Sinisalo, the leader of the SKP's minority. Over the weekend even he left a back door for the continuation of TIEDONANTAJA, but considered that it would be reduced to the role of a district paper.

From Where Does the Money Come?

TIEDONANTAJA, which began publication at the end of the 1960's, is a symbol of SKP division, but has at the same time been an important instrument of party struggle. In the weekend issue of KANSAN UUTiset the essence of TIEDONANTAJA was presented by expressing amazement, among other things, at its unverified circulation figures and, above all, its secret financial sources.

TIEDONANTAJA itself talks about a circulation of 25,000--30,000, but the estimate given by KANSAN UUTiset is only 10,000. At least as far as the paid circulation is concerned.

TIEDONANTAJA reported a sales turnover of 3.9 million markkaa to the League of Newspapers in 1981. According to KANSAN UUTISET, the newspaper's losses, for example, were even greater than this figure last year. KANSAN UUTISET does not want to make an outright guess of its competitor's secret financial sources, but it believes that the newspaper's funding is connected with the presently on-going placement of the property of the SKP's minority wing under the protection of a foundation.

On Sunday, the Finnish Communist Party decided to begin publishing a new party paper, which will appear once a week. At the same time the SKP decided that its Politburo will begin preparations for the merger of TIEDONANTAJA with this new weekly paper by the middle of next January. A final decision on the merger of TIEDONANTAJA and this new paper should be made next May at the party's 20th Congress.

"Still in the Planning Stage"

However, Chief Editor Urho Jokinen of TIEDONANTAJA states that the decision adopted does not mean a shutdown of TIEDONANTAJA. The adopted position contains only a point in which it is stated that a merger is in the planning stage.

Changing TIEDONANTAJA into a district paper is an even propable issue that is to be given consideration, admits Chief Editor Jokinen, but states: "Even as a district paper TIEDONANTAJA will be an integrated newspaper."

In other words, TIEDONANTAJA does not intend to limit its subject matter, but along with district issues and their positions it will continue to discuss everything possible between heaven and earth.

Those in the editorial office of TIEDONANTAJA trust in the continuation of the newspaper in the same manner as Jokinen. No concrete plans, for example, have been made for transferring editors to the SKP's new paper.

No Subsidies for New Paper

KANSAN UUTISET attempted to get the rank and file of the SKP to oppose the press decision by asking, among other things, from where the money will come since the mere maintenance of KANSAN UUTISET is becoming an insurmountable issue. However, KANSAN UUTISET did not exactly receive support in the decisionmaking organs of the SKP.

Chief Editor Erkki Kauppila of KANSAN UUTISET wished success for the SKP's new paper in that he is satisfied with the fact that KANSAN UUTISET will remain as the joint chief organ of the SKP and the SKDL [Finnish People's Democratic League].

Kauppila considers the forthcoming newspaper to be more of a journalistic competitor than an economic one: "It has been agreed that the new newspaper will not be a recipient of state support for parties and that it will also not become a part of the trade union aid program for a significant period of time.

"The new paper will not undermine the economic basis of KANSAN UUTISET," believes Kauppila.

Kauppila does not consider the mass transfer of minority Communists to KANSAN UUTISET to be a possibility.

"The editors at KANSAN UUTISET are selected by the paper's board of directors and the selections of editors are always individual decisions," he emphasizes. "And do not expect that the board of directors will choose editors for KANSAN UUTISET on other than a professional basis."

In Kauppila's opinion the suspension of TIEDONANTAJA as an independent newspaper would significantly improve the situation in the Communist Party.

"TIEDONANTAJA has been an instrument of factional struggle against the majority in the SKP leadership and the SKDL's majority and this aspect has dominated all its actions," states Kauppila in justifying his opinion.

The common belief in the editorial office of KANSAN UUTISET is that not many newspaper editors will want to join this paper.

One of the editors at KANSAN UUTISET states that the idea of supplementing KANSAN UUTISET with members of the minority is, of course, somewhat laughable. But, of course, cooperation will depend on which individuals and under what conditions they will come into KANSAN UUTISET, states the editor in a more serious vein.

Alenius: Party Must Split

Helsinki UUSI SUOMI in Finnish 13 Sep 83 p 6

[Article by Jyrki Vesikansa: "A New Party Has Already Been Demanded"]

[Text] The press decision adopted by the Communists is driving the SKDL's Socialists even further into a corner. Ele Alenius, the leader of the organized Socialists a year ago, admits that the idea of establishing a new party is coming up ever more frequently in individual statements and speeches. However, no decision has been made for the time being.

Alenius states that the SKDL's Socialists are to a person in solidarity with the majority wing of the Communists.

"However, it has gradually become evident that the benefit reaped from this has not been what was previously expected.

"The press decision is a signal of change in the SKP. This change could also affect all of leftwing cooperation. We want to see what, indeed, is going to happen before any decisions are made on the establishment of a new party," states Alenius.

"We have the idea that many majority Communists are dissatisfied with the decision of the Central Committee. For this reason also we want to wait and see."

Alenius considers the press decision bad for economic reasons also. He points out that at one time the Communists' TYOKANSAN SANOMAT and People's Democrats' VAPAA SANA were merged for economic reasons.

"Why should a new paper now be supported," asks Alenius.

Factions on the Extreme Edges

Presently, it is possible to distinguish at least the following factions from right to left in the extreme leftwing.

The SKDL Socialists or People's Democrats not belonging to the Communist Party. Even among them Ele Alenius would like to promote a line closer to the Communists than Kalevi Kivisto.

The axing policy line is the SKP majority's "nationalist" or "Euro-communist" branch. The most well known of its leaders is Arvo Kempainen, who along with many other members of the axing policy line are from the traditional communist areas of Northern Finland. This faction would like to drive the minority out of the SKP, but it itself has become isolated.

The majority in the majority faction is a dispersed group around Chairman Jouko Kajanoja and General Secretary Arvo Aalto. Its policy is only the desperate effort to build a bridge across the chasm in the party.

The "third line" is made up of former Taistoite youth of the radical generation of the 1960's, who are disappointed with dogmatism, among other things. They are close to those following Kajanoja.

The majority in the minority faction is led by Taisto Sinisalo. With small concessions he sees himself as soon becoming the real leader of the SKP.

The minority in the minority faction does not want to give an inch under the leadership of Urho Jokinen and Markus Kainulainen. It enjoys apparent sympathy in Moscow, possibly because of the tactics agreed upon with Sinisalo.

CP Majority Organ on Vote, Text of Decision

Helsinki KANSAN UUTiset in Finnish 12 Sep 83 p 7

[Article: "Press Group's Proposal Accepted Almost in Its Entirety"]

[Text] The SKP Central Committee approved the proposal of the party's press work group almost in its entirety and almost unanimously.

The committee's finalized proposal as well as Reijo Kalmakurki's and Taisto Sinisalo's proposal, which differed from the committee's proposal in only a few points, were placed opposite each other in a decisive vote.

The committee's proposal was approved by a vote of 29-17. The division went along customary lines between the majority and the minority.

Arvo Kemppainen from Kainuu, Ritva Kaikkonen from Oulu, and Raimo Maki from Pietarsaari abstained from voting. They issued a joint dissenting opinion to the decision, in which the present development of people's democratic newspapers is emphasized and support is given only to the establishment of a weekly paper for the party.

The minority wanted to eliminate the point from the decision in which the position of KANSAN UUTISET was confirmed as the joint chief organ of the SKP and the SKDL.

The committee had emphasized this point even slightly more than the press work group had in its own proposal.

Also the committee made an addition to the point concerning press support in the press work group's proposal.

Opposition was expressed within the majority faction to the work group's proposal, according to which the party newspaper to be established and the publishing activities of district organizations will be given equal status with respect to state and trade union support for the press.

The Central Committee added to this a condition according to which such expansion of press support presupposes a decision of the Central Committee.

The minority wanted to eliminate this condition. Both proposals by Kalmakurki were defeated in the committee already by a vote of 12-6.

In the committee and at the meeting itself the minority also voted for the statement in the minutes in which it is stated that the economic situation of the party, KANSAN UUTISET, and the provincial newspapers is such that it cannot be saddled with additional burdens.

In any event, according to the decision, an attempt will be made to develop present people's democratic newspapers in accordance with "the cooperative organizational nature of the SKDL".

In practice this is explained to mean that representatives of the party's minority faction will be chosen for the editorial staffs and administrative organs of the newspapers.

The Politburo, which assembled on Saturday morning, did not present its own proposal to the meeting since it would not have been able to come up with a unanimous proposal.

Thus the press committee at the meeting had as its basis the proposal of the SKP's press work group. After the committee adopted a few changes, the issue was discussed until noon of Sunday at factional meetings of the majority and the minority.

The committee's proposal was approved by a vote of 18-9 at the meeting of the majority faction.

Those who opposed the establishment of a daily paper for the party in the general discussion and still in a vote taken by the majority faction stated that they approved the committee's proposal in the final decisive vote so that the majority faction would not be divided.

Paavo Ruonaniemi, chief of the foreign desk of KANSAN UUTISET, will become the chief editor. Central Committee worker Hannu Vuorio was appointed editor at this time.

Arvo Aalto, Taisto Sinisalo, Erkki Kivimaki, Reijo Kalmakurki, Oiva Bjorkbacka, Matti Kautto, Erkki Rontynen, Tapio Kangas, Mirja Ruikka, and Jorma Sorvari were elected to the board of directors.

Decision on the Development of the Press

1. The press question is a permanent part of the overall situation in the SKP and the whole people's democratic movement. A solution to the press question aimed at unity is not possible without development progressing toward ideological, political, and organizational stability. The problems concerning the press are not connected with the internal questions of the SKP and the people's democratic movement. They must be examined, above all, from the point of view of the success and activities of the SKP as well as the expansion of mass support for the people's democratic movement.

The publication of KANSAN UUTISET, the joint chief organ of the SKP and the SKDL, and the people's democratic provincial newspapers is completely justified from the point of view of a policy of cooperation in the whole people's democratic movement. Also the SKP has a need for its publishing activities and a party paper from the point of view of its international and domestic policy relations as well as mutual relations within the international communist movement and the development of the party's own ideological, political, and organizational work.

What is absolutely necessary in the development of our press and in a solution to the press problem is that we bring about a change aimed at collective preparation, democratic decisionmaking, and unified implementation in the practical application of our party's policy of principles.

2. The premise for the operational principles of Communists in publishing and information work is:

2.1. The bases for the party's own publishing and information activities are our party's ideological and political line, the decisions of party congresses, and regular policies in daily questions as defined by the party's leadership organs.

2.2 A policy line in accordance with the decisions of the SKDL and its member organizations will be observed in joint publications (people's democratic press).

2.3. In order to strengthen mutual trust within the movement as well as between organizations and editorial staffs, particular attention will be given to the fact that in defining the content of the newspapers the views of the organizations will be taken into consideration and a purposefull effort will be made to publish the opinions of these organizations and their members.

Party organizations and individual members will be able to present their views and also various opinions and relevant criticism in the nationwide as well as in the district newspapers. However, in this connection we must proceed from the fact that differences of opinion concerning basic policy line will be discussed in the party organizations and if necessary also in the administrations of the papers in question.

Articles and speeches which are of the nature of a personal accusation or which of themselves serve to maintain and increase differences as the result of their content will not be published, but will be made known to the party organs concerned.

The press, for its part, will have to support aspirations connected with the development and implementation of organizational democracy.

The above-mentioned operational principles will be implemented immediately in all publishing and information work in the sections that are applicable.

3. The SKDL and its member organizations will participate equally in the development of KANSAN UUTISET in accordance with the cooperative organizational nature of the SKDL. The editorial staff of KANSAN UUTISET will be diversified so that work on behalf of the paper can occur jointly through the efforts of the whole movement.

As far as the people's democratic provincial papers are concerned, the cooperative organizational nature of the SKDL will be accomplished in such a way that all the member organizations of the SKDL will be able to have an equal voice in presenting their opinions and directing activities in the newspapers.

In order to restore normal relations between the provincial papers and the party organizations, discussions between the party organizations and papers will be continued and will be promoted with the help of the Politburo in such a way that such editorial decisions concerning administration and circulation by which this can be accomplished will be implemented.

4. The Central Committee is obligated to make decisions regarding all people's democratic newspapers while negotiating with the SKDL, its member organizations, and the administrations of the newspapers in question and after having established the improvement and increased effectiveness of the party's own informational, ideological, political, and organizational activities as a goal, the Central Committee resolves:

4.1. To publish a party newspaper to appear weekly and to be formed on the basis of KOMMUNISTI and PAIVAN POSTI in accordance with the decisions of the

extraordinary congress. The publication of this newspaper will begin in the beginning of 1984 and sample issues will be published in the fall of 1983.

4.2. To appoint the following individuals to the party paper's board of directors: Arvo Aalto, Oiva Bjorkbacka, Reijo Kalmakurki, Tapio Kangas, Matti Kautto, Erkki Kivimäki, Mirja Ruikka, Erkki Rontynen, Taisto Sinisalo, and Jorma Sorvari.

The editors of the newspaper will be Paavo Ruonaniemi (editor-in-chief) and Hannu Vuorio.

4.3. To assign the administration of the paper the task of preparing a detailed plan by 1 October 1983 on the editorial policy of the party paper, the composition of the editorial staff, and the organization of its finances, publication, printing, and subscription policy.

4.4. To assign the work group the responsibility of preparing by 1 October 1983 a proposal on the editorial principles of our press and the points of emphasis to be taken into consideration in editorial policy. (The following individuals are proposed as members of the work group: Bjorkbacka, Kalmakurki, Susi, and Esa Alander).

4.5. As a part of the measures directed at strengthening and restoring party unity the Central Committee obligates the Politburo to prepare and submit for consideration of the Central Committee by 15 January 1984 a proposal to the 20th Congress on the merger of the above-mentioned weekly newspaper and TIEDONANTAJA into an organ of the Central Committee to appear four times a week and to begin publication after the congress. The new newspaper will become a communist newspaper, which will make the party's policies known among the masses. It will be anchored in the party's ideological basis of Marxism-Leninism and will reflect the party's attitude toward international questions, the international communist movement, and fraternal parties from the basis of the internationalism adopted by the SKP. It will also become a forum for party discussion and an instrument for directing party work.

4.6. The SKP's district organizations will have the right to publishing activity based on party regulations.

The party newspaper to be established and the publishing activities of the district organizations will be in an equal position with respect to state as well as trade union support for the press.

The proposal to include this publication in the support for the press presupposes a Central Committee decision by which the overall situation in the party as well as in the people's democratic movement will be examined.

4.7. To obligate the Politburo to clarify the possibilities of publishing a yearbook (or periodical) as well as continuing the publication in the Finnish language of subject matter from Problems of Peace and Socialism.

SKP Central Committee, 11 September 1983.

Majority's Press Organ Comments

Helsinki KANSAN UUTISET in Finnish 13 Sep 83 p 2

[Editorial: "The SKP's Solution"]

[Text] The SKP Central Committee approved rather unanimously the establishment of a new periodical and established as its goal the publication of party newspaper to appear four times a week in the middle of next year.

In doing this, the Central Committee is seeking to accelerate the healing process in the party, make organizational work more active, and to bring about a rapid increase in party support. It is hoped that with this decision the so-called "dual publicity" will be eliminated, above all, by means of the fact that parallel activities and TIEDONANTAJA, which has carried out a continuous struggle against the majority in the party leadership and the SKDL, will disappear from the scene by means of TIEDONANTAJA's merger with the party newspaper to be established. Indeed, this solution will not be discussed until the forthcoming congress.

In the discussion preceding the meeting anxiety was expressed, above all, as a result of how this solution will affect the position of KANSAN UUTISET and the provincial newspapers. The Central Committee dispelled these fears in many ways by, among other things, appealing rather forcefully to the organizations and members on behalf of circulating KANSAN UUTISET and the provincial papers and by reiterating the decision of the congress on the position of KANSAN UUTISET as the joint chief organ of the SKP and the SKDL.

Time and everyday practice in the social struggle will demonstrate whether the weekend decision will become a turning point corresponding to expressed hopes in the development of the Finnish Communist Party.

KANSAN UUTISET, for its part, will continue the struggle in accordance with its resources while striving to be a serious instrument of leftist information corresponding to the needs and values of its readers and the membership of the Communist Party and the people's democratic movement.

SKDL Panel Debates, Votes on Decision

Helsinki HELSINGIN SANOMAT in Finnish 16 Sep 83 p 11

[Article: "SKDL Will Hold on to KANSAN UUTISET"]

[Text] The SKDL will hold on to the political position of KANSAN UUTISET as the movement's chief newspaper. In a position paper published on Thursday the Joint Council of the SKDL specified that the movement's press solution must be made in such a way that the position of KANSAN UUTISET will not be made questionable.

Also the decisions must not weaken the circulation work accomplished on behalf of Folketidning's NY TID and the people's democratic provincial newspapers or

reduce their future resources, states the position paper. According to the SKDL, the press solution does not speak to the basic cause of the credibility problem caused by two conflicting publications. The conflicting picture reflects a conflicting reality, notes the Joint Council.

As long as it is not possible to unify the movement's policy, the outward impression resulting from it will not be unified by mere organizational solutions concerning the press, states the position paper.

In the opinion of the SKDL the only lasting way to overcome the problem of dual publicity is to create the conditions for an open and comprehensive discussion of the movement's policy as well as for clear-cut decisionmaking on the basis of the above-mentioned discussion. The movement's organizational principles and standards should be given their due value and thus unify the movement's policy line.

Last Sunday the SKP Central Committee decided to begin the publication of a new weekly paper. Later the intent is to merge TIEDONANTAJA with it so that this paper will become an organ of the party's Central Committee appearing four times a week.

Stalinist Organ Vows To Continue

Helsinki TIEDONANTAJA in Finnish 16 Sep 83 p 2

[Editorial: "Press Solution"]

[Text] As was expected, the SKP's press solution is of interest to everyone.

Nearly every bourgeois newspaper has become involved in this issue and has expressed their opinions on it.

Because of the varying articles that have been written, the issue has become shrouded in a veil of every possible confusion. No one knows what the question is about, whether TIEDONANTAJA or KANSAN UUTiset is being suspended from publishing.

However, many have given attention to the fact that this is not a question of suspending operations, but one of establishing operations.

TIEDONANTAJA is not being suspended, but a new party paper is being established. This is that situation which deserves tireless reiteration.

The fate of KANSAN UUTiset, on the other hand, is open. And not so much for the reason that it is not known in which direction this newspaper is being developed, but for the reason that it is not known with certainty how many are supporting KANSAN UUTiset. The SKDL's Socialists are behind KANSAN UUTiset. This is known. But this is still not enough.

If the issue is weighed according to this kind of mathematics, the fate of KANSAN UUTiset is clear. The newspaper will cease to be published. But this

is not at all what the SKP decision meant. To the contrary, the continuation of KANSAN UUTISET must be guaranteed. But how? Naturally, in a way that this paper will be developed in the direction of a joint paper. Such a development would be in line with the cooperative organizational nature of the SKDL. Thus KANSAN UUTISET must be made into a joint paper. This is what the question is about.

And if we proceed from this, all those problems which concern the press solution will be easily resolved.

The whole group of questions can be reduced to three issues: first, the party's weekly paper, secondly, the party's newspaper, and thirdly, the right of district organizations to publish district newspapers.

10576

CSO: 3617/6

SOFRES POLL EXAMINES CITIZENS' ATTITUDES ON CONSTITUTION

Paris LE FIGARO in French 28 Sep 83 p 6

[Article by Charles Rebois: "No 'Coexistence,' 46 Percent of Frenchmen Say"]

[Text] Twenty-five years ago, on 28 September 1958, the French people approved the Constitution of the Fifth Republic in a referendum (31,066,502 for, 5,419,749 against). It provided for stable institutions giving the regime a solid base. The new constitution has survived the test of time unscathed.

After it provoked controversy in 1978, the problem of the coexistence of a president with a different parliamentary majority remains at the heart of current affairs. Like Valery Giscard d'Estaing 5 years ago, Jacques Chirac believes that this coexistence is possible. Raymond Barre, on the other hand, rejects it.

In the SOFRES [French Opinion Polling Company] survey on which we are reporting today, this question was asked of French citizens, of whom 44 percent think that in the possibilities suggested, the president of the republic would have to resign, while 41 percent believe that he could remain. And 42 percent would like the chief of state to finish his term in the event of an opposition victory in the coming election, while 46 percent believe that he should resign. French citizens believe that coexistence would in reality soon become impossible, even if this coexistence would not be objectionable to a certain number of these citizens.

The opinions vary as a function of political divisions. Within the RPR [Rally for the Republic], 73 percent favor the position adopted by Jacques Chirac, which should lead him to explain his views in more detail. On the left, it is true, 70 percent believe that the president should stay. Thus, they believe, Francois Mitterrand would still have the possibility of dissolving the National Assembly after allowing the "right wing" to assume the responsibility for an austerity policy for a short time.

A Second Term

This poll allows us to have a better understanding of the views of French citizens on various of the provisions of the Constitution which might be amended, the length of the presidential term and the possibility of recourse to a referendum, in particular.

Seven years is a long time! Of the individuals questioned, 60 percent favored a presidential term of 5 years, as compared to 35 percent who continue to favor a 7-year term. On this point, the citizens polled were in ready agreement, to the extent that Georges Pompidou had launched an amendment procedure with this in mind in October of 1973. He did not carry it through because of the opposition it encountered with his own majority.

But whatever the length of his term, the outgoing president must retain the right to run as a candidate. This is the opinion of 69 percent of those polled. This suggests that the objections--14 years is too long!--raised in 1981, when Valery Giscard d'Estaing proposed his candidacy again, were hardly well-founded. They would be still less so if the length of the term were reduced. It might however be feared that, given this last hypothesis, the fact that the presidential term and the parliamentary term of office would coincide would drastically change the nature of the institutions, forcing the president of the republic to present a program for the legislature. This was the objection made by a certain number of Gaullists in 1973.

Of those polled, 59 percent believe that it would be a good thing to organize referendums to allow the French people to deal with the major political problems, and 32 percent believe that it would be a bad thing, because the people lack sufficient competence. This attitude, in the present political context, is a product of the need to find a counterweight to certain decisions by the regime.

Concerning the capacity for recourse to a referendum, the Constitution is very limiting. It provides that the French people exercise national sovereignty through their representatives and through the referendum, but it specifies that a referendum must deal with the organization of the public bodies, proposals for the ratification of treaties which would have an effect on the operation of institutions, and also, of course, any proposed amendment of the Constitution other than through the parliamentary procedure. Thus these limitations would require a prior amendment of the fundamental law making it possible to broaden the field of the referendum.

No Presidential System

The French people, as we will see, are quite satisfied with the institutions of the Fifth Republic, although they retain a basic republicanism which leads the majority of them (51 percent) to oppose the development of the French regime toward a true presidential system which would deprive the National Assembly of the possibility of ousting the Cabinet and would deprive the chief of state of the possibility of dissolving the assembly. Concerned with balance above all, they reserve for the Parliament, the president of the republic and the Cabinet, in almost equal portions, the responsibility for establishing the main political guidelines. But when they are asked to make their thinking more specific and to compare the role of each under the old 7-year term and under the new arrangement, they note that the Parliament and the prime minister have since 1981 lost their importance, while on the other hand, the political parties have greater weight. This pertinent comment corresponds to a development against the spirit of the institutions, which development is the result of the deliberate intentions of the groups in power.

Similarly, although this is not specified in the texts, the majority vote, which guarantees the existence of a solid and stable majority in the National Assembly, is more consistent with the spirit of the Fifth Republic, while the proportional vote which allows the representation of all the parties has more defenders on the left. The poll shows that on this issue, the French people are clearly divided.

Controversy has developed about the election of the president of the republic by the universal balloting introduced by the 1962 referendum. Some urge a return to the original text, which called for a second-level election. The institutions would thereby be basically altered. In introducing universal suffrage for the presidential election, General de Gaulle made this change the keystone of the regime. His successors in the Elysee Palace had to seek popular approval for the authority required to conduct the affairs of state. The vast majority of French citizens share this view (86 percent favor election by universal suffrage as opposed to 6 percent for election by indirect voting).

As might be concluded, the 1958 Constitution can be altered, in the view of the French citizens, only in ways which do not change its spirit. A further question which must be asked is whether given the current political situation, it is not preferable to postpone any revision. Of those polled, 57 percent believe that the Constitution has functioned well for 25 years (while 25 percent are not of that opinion). It has the general approval of all the political parties with the exception of the communists. But institutions are judged above all by the use made of them. Within the RPR and the UDF [French Democratic Union], the belief is that since the left wing came to power, the institutions have not functioned well. But the left wing itself is taking advantage of the fact. Do these institutions not constitute the guarantee of its term in office? And even if the usage the socialist-communist regime makes of these institutions gives rise to criticism, without them the country would have fallen again into the erroneous ways of the Fourth Republic. This is not the least of their merits.

Question: Do you believe that the Parliament presently plays a role which is more important, less important or equally important as compared to the situation under Mr Giscard d'Estaing?

		A more important role	A less important role	The same role	No opinion
What about					
the Parliament?	100%	12	21	42	25
The political					
parties?	100%	28	12	41	19
The Cabinet?	100%	24	12	45	19
The prime minister?	100%	21	19	44	16
The president					
of the republic?	100%	21	14	50	15

Coexistence

Question: In the event of an opposition victory in the coming legislative elections, would you prefer that Mr Mitterrand remain the president of the republic until the end of his term or that he resign?

(1)		Qu'il reste jusqu'à la fin de son mandat	(2) Qu'il démissionne	(3) Sans opinion
TOTAL : 100 %		42	46	12
SEXE (4)				
- Homme (5)	100 %	44	48	8
- Femme (6)	100 %	40	44	16
AGE				
- 18 à 24 ans (7)	100 %	35	50	15
- 25 à 34 ans (8)	100 %	40	47	13
- 35 à 49 ans (9)	100 %	40	50	10
- 50 à 64 ans (10)	100 %	45	47	8
- 65 ans et plus (11)	100 %	49	37	14
PROFESSION DU CHEF DE FAMILLE (12)				
- Agriculteur, salarié agricole (13)	100 %	32	54	14
- Petit commerçant, artisan (14)	100 %	32	63	5
- Cadre supérieur, profession libérale, industriel, gros commerçant (15)	100 %	33	57	10
- Cadre moyen, employé (16)	100 %	40	45	15
- Ouvrier (17)	100 %	46	44	10
- Inactif, retraité (18)	100 %	47	40	13
PRÉFÉRENCE PARTISANE (19)				
- Parti communiste (20)	100 %	70	25	5
- Parti socialiste (21)	100 %	71	23	6
- U.D.F. (22)	100 %	20	68	12
- R.P.R. (23)	100 %	19	73	8

Key: (1) He should remain until the end of his term (2) He should resign (3) No opinion (4) Sex (5) Male (6) Female (7) 18 to 24 (8) 25 to 34 (9) 35 to 49 (10) 50 to 64 (11) 65 and over (12) Profession of head of family (13) Farmer, farm wage-earner (14) Small merchant, craftsman (15) Upper-level management, liberal professional, industrialist, large merchant (16) Middle-level management, office employee (17) Laborer (18) Unemployed or pensioned (19) Party preference (20) Communist Party (21) Socialist Party (22) UDF (23) RPR

Question: Without regard to your personal preferences, do you think that Mr Mitterrand could remain president of the republic or that he should resign?

	All those polled	Out of 100 opposition sympathizers
--He could remain president of the republic	41	32
--He would be obliged to resign	44	57
--No opinion	15	11
	100%	100%

Question: What method of voting would you prefer for the coming legislative elections?

--A majority vote, as we have at present, which reduces the representation of the defeated parties, but guarantees a solid and stable majority in the National Assembly	43
--A proportional vote, making a stable majority problematical, but allowing representation for all the parties close to their percentage of votes	44
--No opinion	$\frac{13}{100\%}$

Length of the Presidential Term

Question: In your opinion, should the length of the presidential term of office be 7 years, as at present, or 5 years?

--Seven years, as at present	35
--Five years	60
--No opinion	$\frac{5}{100\%}$

Question: If the president of the republic serves for 7 years, which of the following plans do you prefer?

--The president of the republic should have the right to run for a second term	69
--The president of the republic should complete his 7-year term and not be allowed to run again	27
--No opinion	$\frac{4}{100\%}$

Note: The two questions on the length of the presidential term and the right of the outgoing president to run again yield different but not contradictory results. The French people favor the reduction of the term to 5 years but indicate opposition, even if the 7-year term is retained, to prohibiting the outgoing president from running again.

The Referendum

Question: There are those who propose the organization of referendums on major political problems (economic policy, social policy, etc.). What do you think about this?

--It would be a good thing to organize referendums to allow the people to deal with the major political problems	59
--It would be a bad thing, because the people are not capable enough to deal with the major political problems	32
--No opinion	<u>9</u> 100%

The Distribution of Power

Question: There are those who propose the development of the French regime toward a true presidential system, in which the National Assembly could no longer oust the Cabinet, and the president of the republic could no longer dissolve the National Assembly.

Do you yourself favor or oppose a plan of this type?

	Figures from SOFRES poll in April 1972	September 1983
--Mainly favor	23	20
--Mainly oppose	51	58
--No opinion	<u>26</u> 100%	<u>22</u> 100%

Question: In your opinion, should the Parliament, the president of the republic or the Cabinet establish the major French political guidelines?

	Figures from SOFRES poll in November 1969	September 1983
--The Parliament	33	26
--The president of the republic	24	25
--The Cabinet	36	35
--No opinion	<u>7</u> 100%	<u>14</u> 100%

The Functioning of the Institutions

Question: This year marks the 25th anniversary of the Constitution of the Fifth Republic. If you had to make an assessment of the functioning of our institutions in the past 25 years, would you say they have functioned very well, well enough or not well at all?

Figures from September
1978 Antenne 2-SOFRES poll

September 1983

--Very well	6	} 56	6	} 57
--Well enough	50		51	
--Not very well	21	} 27	22	} 25
--Not well at all	6		3	
--No opinion		$\frac{17}{100\%}$		$\frac{18}{100\%}$

Question: For each of the following measures included in the Constitution, would you say that you are personally in favor or opposed?

(1)	Rappel enquête Antenne 2/Sofres septembre 1978			Septembre 1983 (2)		
	(3) Favorable	(4) Opposé	Sans opinion	(3) Favorable	(4) Opposé	Sans opinion
- L'élection du président de la République au suffrage universel ..(6).....100 %	85	8	7	86	6	8
- La possibilité de recourir au référendum ..(7).....100 %	76	13	11	76	12	12
- Le droit pour l'Assemblée nationale de renverser le gouvernement ..(8).....100 %	-	-	-	59	24	17
- Le droit pour le président de la République de dissoudre l'Assemblée nationale ..(9).....100 %	54	27	19	57	26	17
- L'article 16, qui donne les pleins pouvoirs au président de la République en cas de crise grave ..(10).....100 %	55	32	13	49	37	14
- Le Conseil constitutionnel qui veille à la régularité des lois et des élections ..(11).....100 %	70	10	20	80	5	15

Key: (1) Figures from September 1978 Antenne 2-SOFRES poll (2) September 1983 (3) In favor (4) Opposed (5) No opinion (6) Election of the president of the republic by universal suffrage (7) Possibility of recourse to a referendum (8) The right of the National Assembly to oust the Cabinet (9) The right of the president of the republic to dissolve the National Assembly (10) Article 16, giving full powers to the president of the republic in case of serious crisis (11) The Constitutional Council which sees to the regularity of laws and elections

Question: Since the left wing came to power in May of 1981, do you believe that the institutions have functioned very well, rather well, not very well or not well at all?

--Very well	6	40
--Rather well	34	
--Not very well	31	46
--Not well at all	15	
--No opinion		<u>14</u> 100%

The SOFRES Procedural Technique

This poll was undertaken for LE FIGARO.

It was carried out between 16 and 22 September 1983.

It involved a national sampling of 1,000 individuals representing the whole of the population 18 years of age or older.

The quota method (sex, age, profession of head of family) was used, with stratification by region and category of residential settlement.

5157

CSO: 3519/28

DUHAMEL ANALYZES SOFRES POLL ON CONSTITUTION

Paris LE MONDE in French 4 Oct 83 p 2

[Article by Olivier Duhamel, professor at the University of Franche-Comte and editor of the periodical POUVOIRS: "The French and the Fifth Republic"]

[Text] Have the people of France finally accepted the Fifth Republic? Indeed. If the balance sheet for a quarter of a century is more than positive for the regime, since the 10 May 1981 changeover, criticisms are emerging, reclassification is being effected, and new institutional requirements are coming to the fore. The constitutional debate is traditionally reserved for jurists or the political class, but when asked, as the SOFRES [French Opinion Polling Company] has just asked them in detail for LE FIGARO,* the citizens of France indicate that they are not lacking in opinions on the subject, sometimes even in opposition to their spokesmen.

The essential aspect of our regime does of course suit the vast majority of French citizens. Asked to "make an assessment of the functioning of our institutions in the past 25 years," 57 percent expressed the view that they have functioned well and only 25 percent thought the contrary. Within 1 or 2 percentage points, the figures faithfully echo those of an earlier SOFRES-Antenne 2 poll taken in September of 1978. The level of approval goes beyond the efficiency noted, having to do with the major constitutional rules which are the original aspect of our system, which has been called "semipresidential" by Maurice Duverger and presidential by others. As under the American type of presidential system, the president is elected by the citizens: 86 percent of them value this aspect, and the advance in this direction has been steady--only 46 percent approved of it in December of 1962, with an increase to 74 percent in 1964 and 81 percent in 1969 (IFOP [French Public Opinion Institute] surveys). As under the parliamentary system of the British type, the National Assembly can oust the Cabinet (59 percent of the French people favor this system) and the chief of state can dissolve the assembly (57 percent approve of this provision). As in the Swiss and Italian democracies, there is a "possibility of recourse to a referendum," of which 76 percent of its potential beneficiaries approve.

* SOFRES poll taken between 16 and 22 September 1983, utilizing a national sampling of 1,000 persons and reported in the 28 September 1983 issue of LE FIGARO (and the 29 September LE MONDE). No less than 14 questions were asked, a very happy contrast with the usual infrequency and brevity of surveys on the constitutional issue.

As in the nations with perfected legal systems, there is an institution to "see to the regularity of the laws and elections." The Constitutional Council is favored by 80 percent of the people of France, while the figure was only 70 percent in 1978. The nomination of a president with a leftist orientation did not alter the approval expressed in the opposition for the Constitutional Council--it is true that Daniel Mayer comes from the Federation for the Rights of Man. The Constitutional Council decision requiring a return to the first nationalization law for the improvement of indemnification of stockholders did not arouse hostility on the part of the leftist voters, despite the vehemence of the criticisms voiced by a number of socialist and communist officials. The voters are more legalist than their leaders, with one single exception to this idyll: "Article 16, which gives the president of the republic full powers in cases of serious crisis." Here opinions are divided: 49 percent say they are in favor, 37 percent are opposed, and only 14 percent expressed no view--a sign that the constitutional provisions arouse interest. Above all, it is a question of the only constitutional rule concerning which approval has decreased in the past 5 years (see Table No 1). Why? As is often the case with polls, it is in the search to find out whose opinions have changed that one can undertake to understand them. In this connection, the comparisons between one poll and the other for the answers based on political preference are valuable. And the richest lesson of the last LE FIGARO-SOFRES poll lies in these effects of the changeover it reveals to us. The French leftists have become more supportive of the Fifth Republic, while the rightists have become somewhat less so.

The Article 16 issue illustrates this double movement perfectly: opposition to Article 16 dropped among the communist sympathizers (58 percent in 1978, 51 percent in 1981), and more clearly still, among the socialists (47 percent in 1978, 30 percent in 1981), but increased within the opposition, which formerly supported the regime (UDF [French Democratic Union]--10 percent opposed to Article 16 in 1978, 37 percent in 1983; RPR [Rally for the Republic]--12 percent in 1978, 34 percent in 1983). The same distribution, more or less, is true of the opinions on all of the major constitutional rules. The French people thus reveal the extremely political orientation of their perception of our institutions, to the detriment of a constitutional assessment as such. Beyond the overall attachment to the Fifth Republic, the development shows our opportunism: the institutions appear in a better light when "our" movement is in power, and worse when the others control the government.

The resistance of French citizens to constitutionalism and the changes in their opinions brought about by the fact of political changeover alone are however modified by the persistence of certain traditional constitutional ideologies, the critical hostility of the communists, and the Gaullist paternalism for the RPR. This explains the new distribution of the major political families. In 1978, the axis of constitutional thinking conformed strictly to our political life: PCF [French Communist Party], PS [French Socialist Party], UDF, RPR, listed in order from the least to the greatest support of the Fifth Republic.

In 1983, a strange new axis emerged: PCF, UDF, RPR, PS (see Table No 1). It can be seen in all the responses pertaining to constitutional provisions

except the referendum, in which perhaps a situational factor is at work (since Jacques Chirac demands it, the left shows reticence), and the responsibility of the Cabinet to the Parliament (the importance of the old image in which the former is associated with the majority and the latter with the opposition).

For the rest, the polarization of opinion has been swept away. Despite the communist advances, support of this party remains minimal--those who remain faithful to the PCF are probably those most influenced by the old antipresidential debates and by the 15 percent won by G. Marchais on 26 April 1981. Despite its shrinkage, RPR support remains substantial--it is difficult to forget that the founding father of the Gaullist movement was also the founder of the New Republic. Where the liberal-centrist supporters of Barre and Giscard d'Estaing are concerned, they are becoming more skeptical, discomfited by a presidency completed and the lack of an original attachment. And last but not least, the socialists are breaking every record on the legitimacy issue: one of their own occupies the presidency, and the Republic belongs to them.

Only this extreme political orientation of the constitutional assessment by French citizens explains their negative perception of the functioning of our institutions since the left wing came to power. A preponderance of 46 percent against 40 percent feels that they "have not functioned very well or not well at all," since that is the view of 27 percent of the socialists, 33 percent of the communists, 62 percent of the UDF supporters and 68 percent of the adherents of the RPR. It is hard to see, however, how the constitutionalist with the greatest hostility toward the left could demonstrate poor functioning on the part of our institutions since 1981, unless he regarded some disagreement among the ministers as malfunctioning. The changeover of the regime was effected with an institutional smoothness and facility which gave the lie to all predictions. The leftist leaders adapted themselves with amazing speed to the mechanisms of the Fifth Republic, making it possible to impose the opinions on the summit level on the Parliament and the majority parties. In short, the Republic pursued its usual course without experiencing the slightest Mitterrandian mutation.

At the very most, it may have suffered a slight governmentalist inflection in the eyes of our fellow citizens. The high-level decision seems to have come less from the Elysee and more from the Matignon Palace and the ministries (see Table No 2). This impression is shared by all the political families, but more keenly among the sympathizers with the RPR (54 percent today as compared to 29 percent 5 years ago). One would be tempted to conclude from this that the French people have nostalgia for the weight of "the rose elite" and for a presidential omnipresence, but their response to a question concerning desires rather than facts in this same connection dictates caution. A limited and very relative majority comes forth again to say that it is the Cabinet "which should establish the main guidelines of French policy" (see Table 3).

It is true that where the political subgroups are concerned, our constitutional opportunism is seen again: the UDF and the RPR are more parliamentary, the communists are governmentalist (39 percent) and, above all, the

least presidentialist (22 percent). The shadow of 1986 is already eclipsing the socialist sunlight of 1981, and the supporters of Chirac have warmed up to the Parliament more than the PS sympathizers: 34 percent of them believe that it should establish the main political guidelines, as compared to 19 percent of the socialists. Of the RPR supporters, 30 percent hope that "in the future...the Parliament will play a more important role," as compared to 28 percent of the socialists (29 percent of the communists, 17 percent of the UDF supporters, and 24 percent of the French citizens as a whole).

Devoted as they may be to the Fifth Republic, and uncertain as they may be as to the abstract distribution of power among the main organs of the state, French citizens have definite opinions as to the constitutional future. The low number of those who chose not to respond on questions which were however as technical as they were hypothetical bears witness to this. The impression of a very democratic opinion, almost in Rousseau's sense of the word, dominates here: the people must decide.

For example, the French expressed their loyalty to the joint program of the left, unless it is the Pompidou proposal of yesteryear. They want a reduction of the presidential term to 5 years, and that is true whatever their political preference (see Table No 4), and, moreover, whatever their age, sex or profession may be. Only the communists and people 65 and older are split equally between the 5- and the 7-year term (46 percent for the latter, while the 18-to-24-year-olds are 67 percent in favor of the 5-year term).

This hope remains respectful of the monarch, however: if the 7-year term is retained, the voters do not want the president to be prohibited from seeking a second term (69 percent believe that the president should have the right to run, while 27 percent would oppose his eligibility for reelection). The preference which the current president expressed when he came to power for noneligibility is not confirmed by any category of French citizens. All of the political groups en masse urge the possibility of a second term (RPR 69 percent, UDF 71 percent, PS 72 percent, PCF 81 percent). The Constitution should not give the force of law to the possible future apathy of the people.

Another indication of the desire for democracy is the plebiscite for the referendum. The objection will be raised that those polled always respond affirmatively when questioned about giving them additional authority. However, in October of 1977 (SOFRES-South-West) a majority believed that "it would be a bad thing to organize referendums frequently, because the people lack sufficient capacity to deal with political problems" (44 percent as compared to 40 percent in favor of referendums). There are now only 32 percent who opt for this skeptical response as compared to 59 percent who support the referendum. Here again, the youngest citizens differ from the older ones thanks to their new democratic education (66 percent of those 18 to 24 years of age favor referendums as compared to 49 percent of those 65 and older). Here too, the reversal comes from the right wing, or to put it more accurately, from the opposition (see Table No 5). As an effect of the changeover in power, one can hardly doubt, the power can be entirely delegated to representatives when they express your ideas, but not when they are your adversaries. It is in addition a situational effect, because an appeal

for a referendum came last June from the mouth of the mayor of Paris, and a result of the phrasing of the question, finally, because the adverb "frequently" was not included again in 1983.

When it comes to the method of balloting for the election of deputies, the question does not leave French citizens indifferent (87 percent expressed an opinion), but they are totally divided, with 44 percent preferring proportional representation and 43 percent a majority vote. With the exception of the communists, 69 percent of whom are proportionalists, and the ecologists or other offside groups, the voters favored the present method of balloting by only a small majority, and this includes the socialists, once again rallied by 10 May. During the SOFRES-South-West poll in October of 1978, 57 percent of the PS supporters opted for proportional representation, while only 45 percent of them do today. At that time 25 percent preferred a majority vote, while 48 percent do now.

In the final analysis, only the election counts. The 1986 prospects are already upsetting the political game, and little comments about "coexistence" are proliferating. The SOFRES poll shows us a veritable upset in constitutional opinions here. While polls are supposed to derive from a consensus, while the president also is regarded as an arbiter, while French citizens are regarded as respectful of constitutional terms, and while beyond the diversity of situations and the differences in the formulation of questions, there has never been from 1965 to the present more than a small minority, always less than a third of the French population, in favor of the resignation of the president in the event of an opposition victory in the National Assembly, and while Jacques Chirac himself stated while the poll was in progress that agreement with the current president was possible, we now see that a majority of French citizens would prefer that he resign (see Table No 6).

This opinion upset has to do with the preceding explanations, and basically the political orientation of the constitutional choices of the opposition supporters. What would the Constitution matter in comparison to winning power back? In the UDF and the RPR, only 9 percent preferred that Valéry Giscard d'Estaing resign in the event of a leftist victory in 1978, while 68 percent and 73 percent, respectively, believe today that if the left should lose the president should resign. Secondly, a portion of the leftist voters react in the same way, perhaps faithful to their past ideas. There remains a quarter of the communist and socialist voters who believe that any change of option expressed by national election should be reflected in a complete alternation in power, excluding any compromise. To the vehemence of the opposition is added then the stubbornness of a faction of the majority, to the possible detriment of François Mitterrand's term of office.

What will the president conclude therefrom? He could first of all maintain the hope of winning the legislative elections if a state of grace is regained, of not losing them disastrously if the balloting method is changed, or of coexisting with the former opposition if the left is defeated, but in a less hostile atmosphere. This 25th anniversary poll bears the stigmata in fact of a harsh present situation. Beyond these banal desires, François Mitterrand might also draw bolder conclusions based on these democratic aspirations. The French people like the referendum and want to reduce the

presidential term to 5 years. The 110 proposals of the candidate elected on 10 May foresaw this. One of his predecessors foresaw the procedure on another anniversary, 10 years ago. Georges Pompidou withdrew, fearing failure to obtain a three-fifths majority in the parliament meeting in Versailles. But Article 89 of the Constitution offers another outcome: the people, 51 percent of whose votes suffice. On this point, Francois Mitterrand would doubtless win a majority. Unless the French people agree to express themselves only on the 5-year term. Is this a solution for tomorrow?

Table No 1
Approval of the Major Constitutional Rules

(3)	Ensemble (1)	(2) Réponses par préférence partisane, du moins favorable au plus favorable
Favorables à l'élection du président de la République au suffrage universel :		
1978	85 %	P.C. 77%, P.S. 83%, U.D.F. 93%, R.P.R. 94%
1983	86 %	P.C. 88%, U.D.F. 89%, R.P.R. 91%, P.S. 94%
Favorables au Conseil constitutionnel qui veille à la régularité des lois et des élections : (4)		
1983	80 %	P.C. 73%, U.D.F. 86%, R.P.R. 88%, P.S. 89%
Favorables à la possibilité de recourir au référendum : (5)		
1978	76 %	P.C. 69%, P.S. 77%, U.D.F. 80%, R.P.R. 87%
1983	76 %	P.C. 70%, P.S. 74%, U.D.F. 85%, R.P.R. 86%
Favorables au droit pour l'Assemblée nationale de renverser le gouvernement : (6)		
1983	59 %	P.C. 45%, P.S. 51%, U.D.F. 68%, R.P.R. 75%
Favorables au droit pour le président de la République de dissoudre l'Assemblée nationale : (7)		
1978	54 %	P.C. 28%, P.S. 47%, R.P.R. 74%, U.D.F. 75%
1983	57 %	P.C. 52%, U.D.F. 61%, R.P.R. 63%, P.S. 67%
Favorables à l'article 16 qui donne les pleins pouvoirs au président de la République en cas de crise : (8)		
1978	55 %	P.C. 27%, P.S. 42%, U.D.F. 82%, R.P.R. 82%
1983	49 %	P.C. 40%, U.D.F. 47%, R.P.R. 58%, P.S. 62%

Key: (1) All (2) Response by party preference, from the least to the most favorable (3) Favorable to the election of the president of the republic by universal suffrage (4) Favorable to the Constitutional Council to supervise the regularity of laws and elections (5) Favorable to the possibility of recourse to a referendum (6) Favorable to the right of the National Assembly to oust the Cabinet (7) Favorable to the right of the president of the republic to dissolve the National Assembly (8) Favorable to Article 16 giving the president of the republic full powers in the event of a crisis

Table No 2
Who Governs?

At the present time, who in France establishes the main guidelines for French policy?

	The Parliament	The president of the republic	The Cabinet
1978	9%	42%	33%
1983	11%	31%	42%

Table No 3
Who Should Govern?

Who in your opinion should establish the main guidelines for French policy?

	The Parliament	The president of the republic	The Cabinet
1978	33%	24%	36%
1983	26%	25%	35%
PCF	24%	22%	39%
PS	19%	32%	43%
UDF	31%	28%	28%
RFR	34%	26%	33%

Table No 4
A Consensus on the Five-Year Term

In your opinion, should the presidential term of office be 7 years, as at present, or 5?

	Seven years	Five years
All together	35%	60%
PCF	49%	49%
PS	43%	53%
UDF	29%	67%
RPR	33%	63%

Table No 5
Approval of the Referendum

Would it be a good thing to organize referendums to allow the people to deal with the major political problems?

	All together	Answers by party preference, from the least to the most favorable
1977	40%	UDF 29%, RPR 30%, PCF 49%, PS 51%
1983	59%	PCF 52%, PS 53%, RPR 63%, UDF 65%

Table No 6
1986--Rejection of Coexistence

In the event of an opposition victory in the coming legislative elections, would you prefer that Mr Mitterrand:

(1)	Reste jusqu'à la fin de son mandat	Démissionne (2)
1983 (3)		
Ensemble	42 %	46 %
P.C.	70 %	25 %
P.S.	71 %	23 %
U.D.F.	20 %	68 %
R.P.R.	19 %	73 %
Rappel février 1978 Giscard d'Estaing (4)		
Ensemble (5)	68 %	23 %
P.C.F.	37 %	53 %
P.S.	60 %	32 %
P.R.	95 %	2 %
R.P.R.	89 %	9 %

Key: (1) Remain through the end of his term (2) Resign (3) All together
(4) February 1978 Giscard d'Estaing figures (5) All together

5157
CSO: 3519/28

CRISIS FROM LACK OF CONSENSUS, GOVERNMENT COORDINATION

Paris ETUDES in French Oct. 83 pp 317-322

[Article by Jean Legres: "France in Crisis"]

[Text] The year 1983 is developing under rather difficult conditions for the present government and for France. A persistent economic crisis accompanied by monetary problems, municipal elections disappointing for the majority faction, the sharp drop in popularity of the president and the prime minister, violent demonstrations in the streets of Paris and the large provincial towns, all these signs which, taken separately, are impossible to decipher, once put together form a disturbing picture of a country that is uncomfortable with itself. This state of affairs leads us to pose some basic questions: How did we get into such a situation? Can this situation go on for a long time? What does the near future hold in store for us, politically and economically?

It is a relatively simple matter to outline the causes of the current situation. The present majority has been the victim of both its own mistakes and economic constraints the extent of which was scarcely foreseeable.

Initial Mistakes

When it assumed power, the Left mistakenly analyzed the reasons why the French voted for it in May and June of 1981. For most voters it was not a matter of crossing the threshold into the first phase of the construction of a socialist system in France, but rather of putting an end to the overly long reign of a coalition of the Right that was worn out and deeply divided. The objective the new government had to achieve was to introduce certain changes in the mode of operation of the sociopolitical system, while at the same time demonstrating sufficient authority and effectiveness to establish its legitimacy. Well, matters have taken a different course. Reforms very large in number and too hastily drafted have given an impression of confusion. What is more serious, however, is the fact that the way they have been presented has often led people to believe that what was involved were applications of a maturely thought-out ideology, while in fact the Socialists were doing their best to renew a body of laws outmoded or congealed because of the extreme timidity of the previous government.

Nevertheless, this muddled reform movement has contributed toward accentuating the misunderstanding between those who govern and the voters. The former were convinced that their many actions responded to a deep-seated expectation in terms of public opinion, while the latter were hoping for something else: that the Left would govern better than its predecessors. While some lost themselves in activism, the disappointment of others imperceptibly turned into disapproval. The confidence crisis gradually transformed itself into a legitimacy crisis orchestrated by a more and more aggressive opposition. The loss of interest all the opinion polls reveal is the sign of this break between the two.

Today, however, while the government's job above all consists of administering the vast aggregate of legislative measures it has gotten Parliament to vote into effect or which it has decreed, one might expect that it would finally offer proof of its administrative capabilities. Well, it has unfortunately not done so at all. As Jacques Julliard writes: "People blame the government less for its austerity program than for the accumulation of detailed errors... in short, for an insufficient mastery of day-to-day affairs" (LE NOUVEL OBSERVATEUR, 24 June 1983).

Administrative Frictions

Only a thorough study of administrative sociology would enable us to explain a phenomenon which is at first sight all the more surprising, to wit, that Socialists and Communists have had excellent locally elected officials who administer large towns competently and effectively. We may, however, risk the hypothesis that the mediocre way in which the government operates is not due to the mistakes or inexperience of a certain number of ministers. The present government includes many competent men and women and easily stands up to comparison with the teams of previous governments. What, on the other hand, seems to be lacking is the existence of reliable and coherent channels between the three traditional decision-making centers of the Fifth Republic, which are the Elysee, the Matignon and the ministries. For a long time now we have known that one of the weakpoints of our institutions is the ambiguity, written into the Constitution, of the duality between the Office of the President of the Republic and the prime minister's departments, whose areas of jurisdiction overlap and differ from one another in terms of unwritten rules that have varied over the years. De Gaulle, Pompidou and Giscard d'Estaing ran up against these difficulties, which each of them resolved in his own way, sometimes by changing prime ministers. However, after De Gaulle's departure in 1969, the tendency was to accentuate the hierarchization of power with the Matignon centralizing the decisions of the ministers to later submit them to the Elysee's specialized advisers for final arbitration.

This form of government consisted not only of advantages, since it involved excessive centralization and resulted in the responsibility for making important choices' being entrusted to anonymous high officials, cut off from political realities by the isolation of the presidential palace. It appears, on the other hand, that neither Mitterrand nor Mauroy wanted to adopt precise rules in 1981, which involved major drawbacks. Due to the lack of any coordination, we, therefore, have been treated to the spectacle of important ministers

publicly contradicting one another, of the prime minister and the minister of Finance having arbitrations they believed to be settled reversed by the Elysee, of policies being publicly adopted by this or that decision-making center without the knowledge of the others. It appears that the chief of state's way of operating, which consists of entrusting the same issue to several individuals situated in different echelons and of not settling differences until the last possible moment while keeping in reserve one or several spare solutions, has worked poorly with a country in a state of crisis which has, since 1958, gotten into the habit of being governed with authority.

A Minority Left

This lack of control over a state machine that is much more complex than the Left imagined before assuming power has had all the more formidable consequences inasmuch as the economic situation has at the same time been constantly getting worse. Here too, only a thorough study made after the fact will permit us to measure the specific responsibilities of the Left in this state of affairs. We may simply bear in mind that France in 1981 was suffering from the effects of an exceptionally far-reaching worldwide recession, but that it was in addition suffering from two evils peculiar to it: a rate of inflation higher than that of its neighbors and a rapid deterioration of its industrial fabric. In stimulating a renewal of consumption, the solutions introduced by the Left since the summer of 1981 have not cured these evils, but has instead created new imbalances with regard to foreign trade and the balance of payments. The government, therefore, had to abruptly revert to its initial policies in June 1982 and then again in March 1983 and adopt Draconian measures to reduce purchasing power in order to restore a balance without which we have no national independence.

Such jolts could only have political consequences of top importance. They set in motion public opinion movements on the significance of which all analyses agree: The Left is now a minority in the country. This mass movement is accompanied by two other phenomena that are just as worrisome for the government and which polls and partial elections are confirming: The former majority's image is constantly improving and the Right is again becoming a credible replacement solution. Moreover, the Socialist Party continues to get weaker through losing the voters it won in 1981 to the opposition, while the Communist Party seems to be staying at its relatively stable low-water mark of about 15 percent of the voters. Now the history of the past 25 years shows that the Socialist electorate does not have very solid sociological bases and for that reason undergoes sharp fluctuations, up and down. Thus there is nothing that can indicate when the current process, which has resulted in making the government lose its intermediaries among the public and making it more dependent on the Communist faction of the majority.

Assets on Both Sides

The key to the current situation and that of the near future will probably belong to the political force that is capable of addressing a clear and reassuring message to a public disoriented by a crisis that is interminable and without any apparent solution. Both the majority and the opposition have the

assets for perfecting this message everyone is waiting for. Neither of the two has yet managed to put it together.

The Left, which is in power and has the privilege of action, therefore, at least theoretically has the possibility of immediately applying the choices it is proposing. On the other hand, this daily confrontation with the exigencies of government deprives its officials of the ability to command the spirit needed to consider an overall policy different from the one that was proposed in 1981. The result is that the government has for a year now only been capable of imposing a succession of austerity measures, necessary of course, but opening no positive prospect for the future. If the start of a recovery in the chief Western nations proves to be nothing more than a flash in the pan because of the new hike of American interest rates, France will have to go through a long period of stagnation which the different socioprofessional interest groups will not easily accept and for which the government is offering no way out or even a public explanation.

As for the Right, it is apparently hesitating between two types of behavior: to either advocate a soft kind of rigor, fairly comparable to the sort Raymond Barre applied before 1981, one which would spare the purchasing power of the French at the expense of a deterioration of the economy, or to get actively involved in a kind of aggressive liberalism inspired by that of Mr Reagan and Mrs Thatcher. We must admit that neither of these two formulas is very appealing. The policy pursued by Pierre Mauroy's predecessor was austere enough to annoy most Frenchmen, yet was so without including the courageous choices designed to put an end to inflation and protect the key industries. On the other hand, neoliberalism is too contrary to national tradition to be capable of really taking hold in our country. Furthermore, its results are far from being convincing. The timid recovery that is apparent in the United States and Great Britain since the start of the year has not yet enabled these two countries to return to the volume of industrial production attained in 1981. Moreover, the persistence of the colossal American budget deficit and the Federal Reserve Bank's fear of seeing inflation rise again allow us to forecast a rise in interest rates that will run the risk of plunging the American economy into a period of stagnation again by the end of 1983. And lastly, the two other motive forces of the Western world constituted by the Federal Republic of Germany and Japan offer no sign of recovery for the time being.

A Worrisome Outcome

What is really to be feared in a country like France, where the political world has never mastered the facts of the economic world, is that the debate may take a different and much more dangerous turn. Insofar as the Right is incapable of offering a new and attractive economic program, it can only be tempted to play on themes that pay off at the polls and do not commit it to achieving much for the future: a return to order and the present government's lack of legitimacy, presented in an insistent and abusive manner as though it were a sort of incompetent usurper. Incapable of providing tangible results with regard to its administration, the government runs the risk of embarking on the same ideological campaign and of discouraging its partisans a bit more, but without for all that convincing its unyielding adversaries. Our political

system is thus headed for a complete standstill. Of course, in a democratic nation resolution of the problem by the voters constitutes the normal outcome of such a standstill. It is, nevertheless, not certain that this may be the case in future. In fact if, as it is assumed it will, the administration gets a new electoral law voted into effect, reestablishing proportional representation for the National Assembly, that body could very well once again become an arena for confused confrontations which no major party would manage to dominate. No one can say whether the president's role would be weakened or strengthened by such a state of affairs, which could expand his room for maneuvering or reduce his ability to get his program adopted.

What is actually more likely is that the chief of state may in one way or another be forced to consult with the electorate on the pursuit of an economic policy which, because of its austerity, could only be applied over a long period of time in conjunction with a certain consensus of public opinion. The virulence of special interest groups, the weakening of the labor unions, natural supports for the present majority and opinion poll results show that this consensus scarcely any longer exists. It is, therefore, necessary for a dialogue to be initiated. The Left ought to agree to be open to one and, as for the rightist opposition, it ought to understand the usefulness of engaging in one, since it cannot be content with capitalizing on dissatisfactions as varied and contradictory as those it would very well have to resolve if it returned to power. The ideologists of both camps will one day be forced to comprehend that the solution of the current political crisis depends on fundamental economic choices that for the most part operate beyond our borders.

11,466
CSO: 3519/38

FITERMAN STRESSES PCF ABILITY TO GOVERN

Paris L'HUMANITE in French 24 Sep 83 p 3

[Text] Yesterday, Charles Fiterman was the guest of French Television [Channel] 1 in its 1300 hours newscast.

Stressing that the TGV [Very Great Speed] rail system was "one of the greatest technological and industrial successes for many years in the development of France," the minister of transportation "praised very highly this achievement of our engineers, our technicians, our workers and of the SNCF [French National Railroad Company] which controls it. Recalling some remarks made when the TGV was inaugurated in connection with a false bomb alert, Charles Fiterman said: "I find that some people are killjoys and they are really only interested in using any kind of excuse, even the poorest one, to call into question this government and its minister of transportation." Then he added: "It is a very deplorable attitude because I think that all this is tied up with a certain shift in the political debate, a shift which is dangerous at this time and is favored by some opponents of this government and of this policy."

Asked about the participation of communists in the government, Charles Fiterman reminded that "communists ministers have their job, their responsibilities" and, he added, "I try to fulfill them to the best of my ability in the interest of the country and in accordance with the commitments we have made." A development in our country that "nobody mentions," he added, "is the fact that the united Left, with all the groups that form it, is quietly approaching its 3 years in government." This has never happened before throughout the history of France. The country has problems and I do not underestimate them but one must tackle them and work to resolve them. In spite of them, people are breathing and alive in this country, "Charles Fiterman said before adding: "As time goes on we are demonstrating that the Left is capable of governing and this fact is what the Right, or at least some leaders of the Right, cannot accept which is why they lost their cool (...) and they make use of really any means including the alliance with the extreme right."

On the other hand, he added, "despite the difficulties and even problems it faces, the united Left is showing its ability to govern this country while the Right is demonstrating its inability to carry out its true opposition role with republican spirit."

On the subject of jobs he said that "we find ourselves in a situation where, as a result of the policy adopted, described as a policy of austerity, jobs are in danger and there is a possibility of higher unemployment." But, he added, "the important thing is to create the means of coping with unemployment and we are working to that end."

The introduction of reforms, changes and modernization will help "to lay down the foundations of a healthier and more balanced growth," mostly by cutting back on imports, Charles Fiterman explained. He added: "It is austerity with progress, it is also austerity accompanied by concern about jobs and, wherever necessary, concern about making investments and creating jobs or saving those which need to be saved." The minister, who thinks that electronics "is a field in full expansion," noted that "one must not be afraid of progress. France must resolutely participate in that expansion since it has the necessary resources which is perhaps one of its strong points," he concluded.

8796

CSO: 3519/25

U.S. BASES REFERENDUM CALL MARKS NEW KKE TACT

Athens EXORMISI in Greek 17-18 Sep 83 p 32

[Text] It was with special interest that we heard the speech of KKE's secretary general at the KNE-Odigiti [Greek Communist Youth] festival at Peristeri and we heard the harsh "criticism" against the PASOK government with the same old refrain that it successively abandons the fundamental Change positions. As to how much it abandons them is judged daily by the Greek people who support it in the great battles it wages under hostile conditions for economic recovery, for social justice, for national independence, for the defense of peace and detente. Naturally, we do not expect to convince those who are already determined not to be convinced and who are found not only in the KKE ranks. We also note from Mr. Florakis' speech the new position of the party with regard to the American bases agreement, which no longer demands that they be removed from the country, that is to say, within the current parliamentary term--"This, he said, "we were discussing"--but are in doubt as to whether the expiration of the agreement means their removal. But even on this we will not try to convince those who do not wish to be convinced. The documents are there, open to the public, and everyone can judge for himself. Naturally, Mr. Florakis confined his criticism to the time-frame of the removal of the bases and ignored the other provisions of the agreement, such as those which abrogate them in situations that are subject to the free and unilateral judgment of the Greek government.

Also, consonant with this new position is the proposal for a referendum, which, according to Mr. Florakis, would no longer involve the existing agreement per se, but whether this agreement would aim as to whether "the bases would remain or be removed." But the idea of the referendum is thus weakened because it goes over ground already covered in view of the fact that the vast majority of the Greek people has already decided on the need to remove the bases within a specific time-frame. Mr. Florakis states, "We believe that those who wish to have the bases removed are a larger number." And who denies it? Perhaps the criticism is limited to the present agreement and to the doubt--by the KKE in this specific instance--as to whether it constitutes a time-frame for their removal or continuation, but on this--we have said--we are not about to convince that minority that does not wish to be convinced. The KKE knows full well that, if the present agreement were to be judged, it would receive the approval of the vast majority of the Greek people and precisely because of this, the proposal for a referendum would be tantamount to a display of propaganda fireworks.

FOREIGN DELEGATIONS TO KKE FESTIVAL

Athens I AVGI in Greek 18 Sep 83 pp 1, 2

[Text] This evening, on the last day of the AVGI-THOURION festival, thousands of people will swarm all over the Nea Smyrni Grove to hear the political speech of the KKE Interior, Central Committee Secretary Comrade Giannis Mbanias. In his speech, the KE [Central Committee] will pinpoint today's political situation and will elaborate on the positions of the party of Communist Renewal during the critical phase the country is going through.

International Participation

On the other hand, this noon, KE Secretary, Giannis Mbanias with Angelos Diamandopoulos, member of EG [Staff Office] and T. Trikas, K. Diveris and V. Rologis of the Foreign Relations Committee, met with the representatives of the foreign parties, movements and newspapers who are participating in the 7th AVGI-THOURION festival.

The international situation, the political situation in our country and the choices of the KKE Int. were discussed in a climate of cordiality.

Those participating were representatives of the CP of PRC, the CP of Romania, the Union of Yugoslav Communists, the PC of Italy, the PC of Spain, the Socialist Party of Norway, the Eritrean Liberation Front and the Iranian Mujaheddin.

Yesterday, Jorge Maguidi, member of the Political Office of the Socialist Party of Chile and minister in the Allende government, arrived from Paris to participate in the festival.

9731

CSO: 3521/11

ND INTRA-PARTY STRIFE; PARTY'S FUTURE LEADERSHIP

Athens AKROPOLIS in Greek 18 Sep 83 pp 1, 18

[Text] Intense intra-party activities are in process within the New Democracy. They aim at a better formulation of the party's ideological posture and where it stands with regard to its program.

The aims are expressed by deputies, cadres and members of the official opposition party and have as a goal the improvement of its image and the improvement of its possibilities for winning the next elections.

With Dialogue

Up to a point, the aims are also connected or represent the ambitions existing within the party for the succession to the leadership when the occasion presents itself.

The development of aims within a large party is a healthy phenomenon and it demonstrates that intra-party democracy is working, that free dialogue is unhindered and that there is an exercise of the principle of exchange of views and ideas from top to bottom and vice versa.

Within this context, criticism of the leadership is not infrequent because of the tactics followed in a given situation. This demonstrates the existence of democracy because the leadership is not monolithic and tyrannical.

It cannot not be said that the developments in process have already crystalized into a particular shape.

At the Congress

Thus, it is premature to form an opinion as to what the final content of the new ideological and program platform of the ND is going to be.

On the other hand, party committees are elaborating the relative subjects to be submitted for approval at the party congress.

Specifically, the following are the three plans that the deputies and cadres are engaged in elaborating:

1. For the party to keep its traditional posture;
2. To give the party a clearly middle-of-the-road character;
3. For the party to present itself as renewed in every aspect.

At the Khalkidiki congress it had been agreed that the ND is the party of radical liberalism which sets aside the old distinctions of Right, Center and Left and is confined to the area between Fascism and Communism.

Since then many things have happened and there have been developments which tend to change our political scenario radically.

PASOK won the elections by a landslide, but it also quickly disillusioned many of those who voted for it and who have now changed their minds.

On the other hand, the ND has changed leadership twice and the present leader is under pressure to do something effective to attract the mass of the voters who have been disillusioned by PASOK.

In the meantime, thousands of new voters have been added who are also looking for a party with which to identify.

Young Cadres

Also, there is the matter of the enhancement of the ND with cadres, young in age, who wish to become involved in public affairs and are waiting to see what course the present official opposition is going to take before they decide.

There are young cadres even now in the ND and they also demand that they be given substantial party assignments.

With regard to the use of young cadres, it must be mentioned that just day before yesterday, Mrs. Thatcher actually called out of obscurity a 40-year old man whom she had appointed as an undersecretary of the Labor Ministry and made him Chairman of the Conservative Party.

This emphasizes how necessary it is to make use of young people even in key party positions.

All this is connected to the more general question as to what degree the ND will be able to represent successfully the middle class, which is not constituted solely by rightists. On the other hand, in past elections there were middle class people who voted for PASOK.

Mr. Rallis

One more question which keeps the ND deputies and cadres busy is the one related to the plans, immediate and future, of Mr. Rallis, who, as party chairman has sought to become the spokesman of radical liberalism.

Much is being said about the behind-the-scenes activities of Mr. Rallis, which were increased with the announcement that Mr. Rallis is going to hold a press conference tomorrow at 12:30 p.m. There is speculation that he will announce something important.

Among the things mentioned concerning Mr. Rallis, it was reported that he had made contacts with KODISO's [Democratic Socialism Party] chairman, Mr. Pesmazoglou, as to the possibility of their cooperation in the elections for the Europarlament and that he had also had contacts with Mr. Petsos for the creation of a new political coalition.

According to available reports, Mr. Rallis has not met with Mr. Pesmazoglou since just prior to the 1981 elections and has never met with Mr. Petsos.

It is true, however, that Mr. Rallis has contacts with the ND deputies who ask to see him and they discuss political developments with him.

In any event, if Mr. Rallis is questioned on the subject at tomorrow's conference he will respond even though his principal objective is to present his views on foreign affairs matters.

He Avoids

At the same time, Mr. Rallis is now writing a new book in which he delves into the failures of the PASOK government and concurrently indicates the measures, in his opinion, that should have been taken or should be taken in order not to interrupt the progress begun by the ND.

When asked about his future plans, the former premier gives assurances that he does not have political ambitions and avoids discussing the ND's internal affairs.

Results

From the preceding analysis, it appears that there is the matter of the determination of the ideological posture of the party and its new program.

According to the forecasts, a "line" will be formulated consisting of the underlying trends, that is, the ND will not present itself as a new party indifferent to its previous history, but will represent those who are opposed to PASOK, and the Communist Party as well.

9731

CSO: 3521/10

BILL ON POLITICAL PARTY FINANCING PREPARED

Athens TA NEA in Greek 21 Sep 83 p 1

[Text] Yesterday, in answer to a related question, minister of the Interior, Mr. Gennimatas, stated that the next bill to be introduced by the ministry of the Interior for discussion in the Council of Ministers will be the one concerning political party financing.

The bill, whose aim is the support of the financial self-sufficiency of the parties and the strengthening of their political independence, provides the following:

The financing of all political parties represented in the Chamber of Deputies and the Europarlament is institutionalized for the exclusive purpose of covering their operating expenses only. There will be no financing for electoral expenditures.

The State subsidy will be sufficient and will be made available to the political parties every year as long as the parliamentary presence has an equivalent organizational structure outside the Parliament.

A percentage of the State subsidy is distributed in equal amounts among all political parties of the Greek Chamber of Deputies and the Europarlament; the remaining amount is distributed to the parties represented in the Chamber of Deputies according to their parliamentary ratio.

The above-mentioned bill, after being discussed in the Council of Ministers, will be presented to the parties by Mr. Gennimatas for an exchange of views with their representatives and eventual amendments, which, however, would not affect the general principles of the bill.

9731

CSO: 3521/11

SCENARIOS GIVEN FOR POSSIBLE EARLY ELECTION CALL

Athens AKROPOLIS in Greek 18 Sep 83 p 16

[Excerpts] A new state of affairs in the relations of Greece with the entire West has appeared since last Monday and more specifically after all that happened at and followed the meeting of the foreign ministers of the EEC member countries at the Zappeion. It makes it necessary for a careful examination and an in-depth evaluation of this situation be made.

Relations with the West

It is obvious that this can only be done between the head of State and the responsible premier. The views of the official opposition on these subjects, of course, always carry special weight because should the state of affairs which ensued in the relations of Greece with the West not be controlled, it would surely have repercussions in the entire range of the domestic and foreign policies of our country. These repercussions become more serious and critical if they are viewed in conjunction with the overall situation which has developed in the country these past two years of the PASOK administration.

All objective observers agree that Mr. Papandreou is today faced with a really difficult situation. I know that, above all, this situation will result in a great political attrition for his government.

It is, therefore, natural that the premier be seriously concerned and ask himself what he is to do. The dilemma which he faces is difficult: elections now or later?

The same reliable sources report that this problem is continually on the premier's mind.

He has discussed it and he discusses it in his close circles.

However, from the reports that AKROPOLIS has received, the premier has not made and cannot make definitive decisions.

According to the same sources, at present the questions asked at Kastri are concentrated on the following three possibilities or rather on the following choices:

First Choice: The recourse to unexpected elections during the next 2 or 3 months;

Second Choice: The recourse to elections next June, concomittant with the elections for Eurodeputies;

Third Choice: Elections within the normal timetable. That is, in the fall of 1985.

The Matter of Elections

With regard to the first choice, the recourse to sudden elections this year (in November more or less), the sources report that Mr. Papandreu has rejected it. This choice was persistently supported by the deputy minister of National Economy, Mr. Ger. Arsenis. He claimed the excuse that "the past years were better." He was saying, in essence, that the worsening of the economic situation in the coming winter will be such that if the elections are held later, it will be a disaster for PASOK.

Consequently, he concluded the sooner the elections are held, the smaller the loss for PASOK.

Until now--according to the sources--Mr. Papandreu did not agree with this view. We add, in this regard, that the premier:

Has stated to the responsible officials what he states publicly: His intention is to hold elections in 1985.

Until now, there has been no other statement of the premier to the contrary. It is not, however, to be excluded that he may be forced to change his mind as a result of the very unpleasant recent developments which are the result of the actions of the administration and to reach the conclusion that: the immediate--this year--call for elections may, perhaps, be a way out of the impasses that he has reached.

Vicious Circle

In the eventuality that something of the kind should occur, then an--therefore, dangerous--excessive intensification in political life should be expected. Because Mr. Papandreu, in order to distract the attention of public opinion from the critical internal problems (economic, etc.), will wage his battle in foreign affairs. He will join the electoral contest with intensely nationalistic slogans. A fact which means that he must even outdo himself in "anti-West" and "anti-American" statements. Then we will all have embarked in a vicious circle of tensions, or even of crises, in our relations with the West with all the resulting consequences: economic, protection of our national security, etc. It is--it is emphasized--a vicious circle which can lead to an effort to impose new directions in our foreign policy, an effort which may, perhaps, end in the legalization of what today takes place in certain circumstances and occasionally...

The Two Versions

It is, however, necessary to point out that:

Despite all that is said and despite what the present administration does within the context of its "pluri-dimensional" foreign policy, Mr. Papandreu knows full well, and appreciates, the economic and other aid that Greece receives from the West.

In conclusion--with all due reservations--the eventuality of calling for early elections should, more or less, be excluded.

If this choice is to be excluded, then there remain two possibilities for the political developments as previously stated.

The first one is for the elections to be held next June and the second within the regular constitutional time limits.

With the Europarlament

There is a great number of people who maintain that the most probable time for Mr. Papandreu to resort to holding elections is next June. He will call for general elections at the same time as the elections for Eurodeputies.

The main premise on which--according to those who support it--the above version is based is that:

Mr. Papandreu knows that his losses will be disclosed publicly and with fanfare during the elections for Eurodeputies. Does he know and does he expect that the results will be much worse than those of the municipal elections when it was ascertained that his electoral power had shrunk below 38 percent?

Therefore, Mr. Papandreu thinks that if there is such an unfavorable prejudgment, its consequences will be disastrous because it will be demonstrated, and confirmed in reality, the vertical fall of PASOK.

It follows that the smart thing to do is not to have this "prejudgment," and, because it is not possible, of course, to postpone the Europarlament elections, there is only one thing left to do: to call for national elections at the same time so as not to show the unfavorable consequences that the confirmation of the drop in popular support would have on public opinion.

This premise reinforces the expressed opinion that next June is a very probable--the most probable--date for holding the next parliamentary elections.

He Will Not Remain

There now remains the last contingency: For the elections to be held within the constitutional time limits, at the end of the present parliamentary term, that is, around October 1985.

Very few persons believe in this possibility. Despite the fact that there are repeated assurances by the administration's spokesman, Mr. D. Maroudas, and of the other government officials, nevertheless, all or almost all political observers consider it rather improbable. In essence, they maintain that:

It is very difficult; it is impossible--they say--for Mr. Papandreou to complete his 4-year term. He makes so many mistakes in every area, with the situation going from bad to worse, that it is mathematically certain that he will be unable to remain in office.

Two Factors

No matter how things are, the conclusion drawn by all political observers can be summarized as follows:

It is improbable that Mr. Papandreou will ask for elections to be held this year. Of course, in politics nothing can ever be excluded;

There is a strong possibility that elections will be held next June. This, however, cannot be taken for granted;

Mr. Papandreou's ambition is to complete his 4-year term. He wants it. He is not sure that he will be able to do so.

In conclusion, it is necessary to mention what all reliable political circles point out:

Mr. Papandreou, as premier, is, of course, one of the most significant factors in the "political game" and the shaping of political developments. Whatever the final decisions may be--mainly in the critical matter of the elections--they presuppose the participation of two additional main factors: the Head of State and the Official Opposition.

9731

CSO: 3521/10

CDS' 'BLACK BOOK' DOCUMENT: ROLE OF OCCUPATION PARTIES

Lisbon O DIABO in Portuguese 27 Sep 83 p 2

[Article by Jose Miguel Judice: "Political Commentary: A Week of Contrasts"]

[Text] This week can be used as a good example of the way governments bring about their own collapse, if we look at the Assembly of the Republic and at what has taken place there. It can also be viewed as an example of vitality on the part of the system, if we base our opinion on the presentation by the CDS [Social Democratic Center Party] of the document criticizing the first 3 months of the government, and on the audience that Mario Soares granted to Lucas Pires in this connection.

This sort of thing does occur in periods of crisis--at least to an extent somewhat greater than normal. The reality of any given moment never appears to be uncomplicated, and only the passage of time is able to highlight those elements of that reality which ultimately prove to be significant and impart to the life of a people the seemingly linear meaning which history textbooks often project. No one can be positive, in 1983, whether we are--or are not--experiencing the last gasps of a government. We can, however, entertain the conviction that the one possibility is more probable than the other and accordingly be pleased or displeased with what we foresee. For my part, I believe that this government is approaching a collapse, and also that (as usual) the blame must be ascribed more to those who are supposed to be defending it than to the efforts of those who oppose it. Such a forecast displeases me, not because I do not grant that it is possible to replace one government with another without forfeiting the more positive legacies of the defeated government, but rather because the experience of history--especially in Portugal--is not such as to leave too much room for optimism in respect to the degree of benevolence present in such hiatuses, despite the good intentions and integrity of those involved.

Shameful Votes

The above thoughts were motivated by the events of last week, and first and foremost by the voting in the Assembly of the Republic. I do not wish to speak here of the voting with respect to the creation of retroactive taxes whose retroactivity is of doubtful constitutionality. Perhaps I have studied too much constitutional law to harbor any illusions as to the inflexibility of the border between politics and law in such matters. Based on an objective interpretation of the law I have no doubt that we are dealing with unconstitutional

models. I also have no doubt, however, that political considerations will ultimately prevail, in particular because the situation may almost require it. The problem, in my view, is not so much the unconstitutionality of laws and decrees as the immorality of a juristic person (in this case, the State) that demands great sacrifices--sacrifices such as a nonjuristic person could not reasonably expect anyone to make in his behalf--without itself giving any substantive indication that it is changing its own "life style."

I do speak, however, of other votes--of those votes that relate to the election of representatives to paraconstitutional organs such as the National Planning Council, the Higher Council for National Defense and the Social Communication Council. For this reason I believe I must say that we are experiencing one of the most serious events that--politically speaking--could affect the future of the political system.

In practice, there are two methods of appointing members of organs of national political importance--methods that vary from system to system without any possibility even of establishing the relative degree of democratic content inherent in each. It is accordingly possible on the one hand to select the members of these bodies on the basis of the principle of a simple majority (with the usual result that the majority parties are represented and those of the opposition are not), or on the other hand either to adopt electoral systems that reflect broader consensus or organize the electoral process in such a way that each party will wind up with a share of the representation (which would produce the same results).

The first of these two solutions is the one that applies almost to the letter the rule that governmental consensus is provided quite naturally by the opportunity for power to alternate from one political party to another, with the result that whoever wins a given election will have complete control of all the national political organs while the opposition--until such time as it wins an election--exercises the function of critic without in any way sharing responsibility in any paragovernmental body whatsoever.

The second solution is the one which applies the principle that certain organs or institutions should be above the uncertainties of the political struggle--that they should be governmental bodies of consensus and for this reason all parties should in the final analysis be represented.

Either of these solutions is legitimate; what is not legitimate is to apply to the practice of one of these solutions the philosophy of the other without in the process shaking the foundations of the existing system. Specifically, if for example each party is entitled to a definite number of representatives on the Social Communication Council the only adequate response at the governmental level is for all the political parties to vote for all the candidates, even when mutually hostile groups are involved. It is perfectly absurd for an organ that regards itself, after all, as above interparty strife to be transformed a priori into a structure that will be born "defiled" by the very stigma of what it intended to avoid. In such case one must then opt for the rule of the majority, pure and simple. What is not admissible is the shameless insolence of a parliament which at the expense of the taxpayers and in a period of crisis spends its time alternately passing and rejecting--probably over a period of months--something that should be resolved in a few minutes, as if it had nothing better to do and as if the voters did not deserve a little more consideration.

A sense of shame compels one to speak of these matters and also--to be specific--to speak of the incredible situation whereby a majority of two-thirds of the votes is no longer required. Only in this country would it not appear inconceivable that Vaz Portugal and Angelo Correia are still expecting to be elected despite the fact that they are national leaders of one of the parties of the coalition. So nothing happens, no leader of the PSD [Social Democratic Party] takes a stand, the coalition goes on as if these were matters of no importance, the inadequate deputies continue serenely to "depute," and the impassive, smiling mouths of the leaders continue to proclaim that all is well in the best of all possible worlds.

The Promises of the Victors and the Role of the Opposition

Pessimism on the one hand, optimism on the other. I am now speaking of the CDS document which the press has called the "black book" of the government, in an expression of dubious taste for which the Centrists appear to be responsible. Be that as it may, it is a document that expresses with precision the role which befits opposition parties in an open society: a role which in no way resembles the childishness and imbecility with which the PCP [Portuguese Communist Party], still dreaming of the "snows of 1917," carries out its political function.

In an open society, opposition parties are not a "general stockholders' meeting" but rather a "board of audit," to use Lucas Pires' metaphors. It is not their function to overthrow governments--particularly when those governments have majority support--but to disclose what it believes to be the government's errors, its shortcomings, its failures, its arbitrary actions and its weaknesses. The "general meeting" corresponds to the electorate, and it is up to them alone--under the terms established by the rules of the political game--to effect a replacement of the leadership.

The CDS document is therefore an accurate expression of a salutary interpretation of what constitutes the essence of a democratic system. This may or may not be to one's liking; what is not permissible is to desire that opposition groups either remain silent or shout hysterically day after day, demanding that governments fall, because the voters should be respected even when one believes that they have deceived themselves or been deceived.

The CDS thesis is, in fact, that the voters have been deceived--on the one hand because the PSD promised them it would not ally itself with the PS [Socialist Party], and on the other hand because the PS promised them a hundred measures that would be taken within the first 100 days of the new government, whereas as soon as the party had reaped its harvest of votes it pretended that the promise did not bind it. I shall not enlarge on the presumptive deceit involved in the first case, concerning which I have expressed my opinion often enough already. As for the second case, it indeed appears that the stern accusation by the CDS is accurate in its broad outlines, just as the PSD itself proclaimed on innumerable occasions during the election campaign.

The PS promised--frivolously and hastily--to do something that it was morally obligated to realize it neither wanted to do, knew how to do nor was able to do. It will be said that this sort of thing is commonplace in election campaigns--

that it is a reincarnation of the "pie in the sky" approach that is a part of our political history. It will be said that the CDS is not immune to this defect of the democratic systems. Many other things will also be said, but that is not what is important. What is important is that it is impermissible to make promises which are specific and dated and then afterward treat the electorate with a calm, total indifference characterized by a refusal even to ask the voters' pardon or to propose ways of improving performance.

Portuguese political progress is to be measured (among other no less important frames of reference) by the correspondence between promises and performance. This would be a signal that when political parties enter electoral campaigns they are technically prepared to govern; that the voters do in fact penalize those who fail; and that fraud, "easy promises," callousness and demagoguery are beginning to be eradicated from our political customs.

The fact that an opposition party has produced this document is therefore a good sign, even though the quality and coherence of the document appear to be irregular and uneven, just as it is also a good sign that the prime minister--the principal executive of the party which had made the apparently unfulfilled promises--had the perspicacity and openmindedness to receive the principal executive of the party which had criticized the document so severely, and that he did so on the day following a press conference on the subject.

The vitality and survival of political systems are also at risk in these small matters. It can be said that this attitude on the part of Mario Soares is a reflection of his personal virtues, and this is admittedly true. One thing is certain, however: to have been able this week--a week so negative in other respects--to witness an action such as this serves, in the final analysis, as a palliative. It is possible, in Portugal, for a government to have enough of a sense of political "fair play" to accept very severe criticism. If the acceptance of this criticism was a first step toward changing one's ways, this week may--years from now--be remembered for this exchange of views rather than for the shame of the parliamentary votes. Then no one will take amiss this optimism of an unrepentant optimist.

PS: In our most recent article there was a misprint that should not go unnoticed. One subtitle appeared as "The Suffocating Affection of Capucho," when it should have read "of the PS." The reader probably caught this, since Capucho does not have the strength (or the affection) to suffocate anyone, nor is it a pseudonym of the Socialist Party. I should also like to correct still another misprint, although it is in someone else's article: Pulido Valente, in a very explicit allusion, identifies me with the Far Right. That's an error, no doubt. In any case, about a year ago he told me that we were the two philosophers of the present-day Portuguese Right. If one moves more to the Left, it will be impossible to view me as being more to the Right. It is indeed an excessively erroneous perspective, and is undoubtedly a misprint.

10992

CSO: 3542/4

IGLESIAS ON EUROCOMMUNIST STAND, SPLIT OVER CARRILLO CENSURE

Madrid EL PAIS in Spanish 6 Oct 83 p 16

[Article by Jose Aguilar]

[Excerpt] Seville. Gerardo Iglesias, secretary general of the Spanish Communist Party [PCE], predicted in Seville that the next PCE congress will reaffirm the Eurocommunist strategy. He explained that he hopes and wishes that all the rank and file militants will participate in the debate. Julio Anguita, communist mayor of Cordoba, requested that disciplinary measures be adopted against the former PCE secretary general, "in spite of the weight of his personality."

Iglesias stated categorically, "I am absolutely convinced that the congress will ratify the Eurocommunist strategy." He belittled the importance of Santiago Carrillo's pro-Soviet statements. He stressed that the debate before the congress will reveal the true opinion of the militant communists since it will be carried on openly and with all facilities provided to the media. The communist leader refused to comment on Carrillo's actions during recent weeks, especially regarding his participation in a meeting in Madrid last Sunday.

In contrast with this moderation, Julio Anguita, mayor of Cordoba, yesterday expressed his opposition to such speeches by the former PCE secretary general.

Anguita said, "No party member is allowed to do and say whatever he pleases." He added that as a PCE member, he expects that the disciplinary measures stipulated in the organization's statutes will be taken against Carrillo and anyone else. Gerardo Iglesias had gone to Seville to participate in a meeting with the PCE secretariat general of Andalucia at which a resolution was passed giving full PCE support to the actions advocated by the Andalusian communists in support of the so-called integral agrarian reform.

9204

CSO: 3548/24

MORAN RESPONDS ON EEC ENTRY, GIBRALTAR, ISRAEL, ETA

Madrid EL PAIS in Spanish 6 Oct 83 p 14

[Article by Juan Roldan]

[Text] Madrid. Yesterday at the Congress of Deputies the Spanish government criticized France's obstructionist attitude on EEC agricultural matters and, in response to insistent questions by the People's Group [GP], admitted that this may bring about a delay in the bilateral negotiations for Spain's joining the EEC. Fernando Moran, minister of foreign affairs, also reported that in the interview he had last week in New York with his colleague Claude Cheysson, he informed Cheysson of Spain's displeasure over the statement made on 27 September by Pierre Guidoni, French ambassador to Madrid.

At yesterday's plenary session, during the period for questioning the government, Antonio Navarro, Anti-Communist Apostolic Alliance [AAA] deputy, insisted on having Moran and Carlos Romero, minister of agriculture, respond officially in a critical manner to the recent French vote on the EEC agriculture document. He ended his speech by calling on the government not to continue in the future "speaking of France as a good ally."

Yesterday afternoon the foreign minister was in no mood for questions by the deputies in Congress, much less for answers to them. Fernando Moran gave evasive replies to three questions on the Morocco agreement, relations with Israel and his interview with people from Gibraltar. On Tuesday the cooperation and fishing agreement with Morocco was sent to Congress for discussion and eventual ratification, which allowed the minister to refer to that debate.

In reply to a question on a news item which came out during his stay at the UN [General] Assembly regarding his interview with important leaders of the Jewish community in the U.S., concerning which the Israeli press quoted Moran as saying that Spain will soon establish full diplomatic relations with Israel, he flatly replied "no."

In view of the dispute which arose last July in the press as to whether or not Moran had had an interview with Gibraltar leaders during a weekend in Gibraltar, GP asked the minister for an explanation of the results of the interview. Fernando Moran replied that these were "confidential contacts with prominent Gibraltar personalities concerning which he could not disclose anything, for reasons of national interest."

Since Felipe Gonzalez, the chief executive, was not present at the plenary session, the opposite withdrew a question addressed to him concerning "steps the government is taking to clarify relations of the government of Nicaragua and the Sandinist movement with the ETA EBasque Fatherland and Liberty Group/ terrorist group."

9204

CSO: 3548/24

VPK'S WERNER ON FAILURES OF SOCIAL DEMOCRATIC GOVERNMENT

Lisbon AVANTE in Portuguese 22 Sep 83, Supplement No 73, p 10

[Unattributed interview with Chairman of Swedish Communist Left Party
Lars Werner]

[Text] "The social democrats are carrying out policies that are very similar to those of the bourgeois parties." Lars Werner, Chairman of the Swedish Communist Left Party, made this opening statement in the interview he granted AVANTE a little after Sunday's big rally right there at our festival.

Comrade Werner, as we reported in our last issue, headed his party's delegation on an official visit to our country while the AVANTE festival was being held. He responded to our question on the reasons why the social democrats were put out of office and later returned to power by underscoring the social democrats' inability to respond to a crisis situation. "People had confidence in them because of earlier successes," however, "they had no strategy for confronting a situation where the political crisis was constantly worsening."

The fall of the social democratic government led to having a bourgeois government of the Right succeed it. This government "carried out anti-worker policies: policies of unemployment, increased inflation and economic stagnation."

"The severity of the crisis grew and the nation's and workers' economic situation worsened."

The distribution of the relative proportions of the nation's GNP was changed in favor of the employers. "The concentration of capital is accompanied by a policy directed against the workers." This is particularly harmful in the labor legislation area. It leads to cuts in the [workers'] perquisites and rights, particularly in union and social matters.

One example of the limitations Swedish workers face (and not only under a bourgeois government) concerns the right to strike.

"The labor law regulating the right to strike only allows strikes to be called by the highest levels of the labor union organization. Should a strike not be

called by the top leadership (considered illegal), the workers are subject to a fine. The bourgeois government revoked the maximum each person is subject to pay."

This clearly anti-labor policy "created the conditions leading to the return of the social democrats to office." Moreover, while they were members of the opposition, "the social democrats expressed themselves in radical terms promising that lost perquisites would be regained and a new policy followed."

The Social Democratic Party returned to power in 1982 with a large parliamentary majority of the left.

The Situation Now

"Our greatest criticism of the Social Democratic Party is that it has not put in effect most of its electoral promises."

In reality "unemployment and inflation, two of the more important aspects of the crisis, continue to increase."

"Previously, during a period of general economic growth, it had been possible to carry out a social policy even though it was limited by the framework of the capitalist system." Today, in a crisis situation, the lack of solutions is notorious. The social democrats have a narrower margin of action and, of course, with the kinds of solutions they propose, they will not be able to reach their goals. They will not even achieve a better social distribution of goods produced.

"To summarize, under current conditions, we have to attack the government, go on the offensive against big capital, support the nationalization of basic industries (particularly banking and insurance), support a policy of strengthening worker influence in businesses, and support the distribution of wealth to benefit the less well off. The result of all this must be to attack the power of the employers."

Moreover, Lars Werner underscored the need to modify the export structure "because we are now essentially exporting raw materials and semi-manufactured goods."

"We do not think, however, that by improving the export structure we would resolve the economic problems. Investment should be especially directed toward domestic development, welfare assistance, improvement of the mass transit system, and home building. Moreover, it would be important to increase the now very limited trade with the socialist countries."

"We are very critical of the social democratic government in domestic policy matters. We are much closer in foreign policy matters," stressed comrade Werner as he made specific reference to the Scandinavian nuclear free zone and to Olof Palme's proposal for a nuclear corridor in central Europe. This proposal was supported by the socialist countries with the aim of enlarging it in order to make it truly effective.

Foreign Policy--Struggle for Peace

Werner also stressed that "a nuclear free zone would simply be a first step."

"One of the party's major areas of struggle is in halting the North American forces on this goal," said the chairman of the Swedish Communist Party. He indicated that North American imperialism is most responsible for the arms race in Europe. Furthermore, he feels the United States and NATO should carefully study comrade Andropov's new proposal for the Geneva talks.

"For 30 years the communists were the only party to fight against nuclear arms." The Swedish people's struggle in this area is recent. "However, the peace and disarmament movement is now a widespread popular movement which also includes social democrats and even one or two bourgeois parties."

Exchanging Experiences

The Swedish Communist Left Party delegation came to be among us at the invitation of the PCP central committee. By mere coincidence, the delegation was here during the AVANTE festival. We thus had the opportunity to ask our Swedish comrades what they thought of their party contacts as well as the festival.

"We had the opportunity to hold open discussions between both parties and we especially had the opportunity to present an account of the situation in both countries. We are struggling under very different situations. However, discussions are always very useful because they permit mutual learning."

While underscoring some of the more pronounced differences between both countries, Werner pointed out that "we have not been in any war for 170 years while Portugal went through the colonial war and fascism." Moreover, "We have had legalized union activity for almost 100 years."

Comrade Werner showed enthusiasm when he commented on the festival. "It is a magnificent festival that is impressive for its organization and content. Only a strong party can put together such a festival."

9935

CSO: 3542/3

OVERVIEW OF IILICAK TRIAL, IMPACT ON TERCUMAN, PRESS LAW

Madrid EL PAIS in Spanish 13 Oct 83 p 26

[Article by Amir Taheri]

[Text] Ankara--The trial of Nazli Ilicak, newspaper woman and editorial columnist of the daily paper TERCUMAN, that has been in session since 7 October, has turned into a symbol of the persecutory attitude of the Turkish military regime with regard to the press. This hostile attitude may become more acute in the coming months, after the elections have been held. Nazli Ilicak is officially accused of "offenses against the army and the state for having defied a decree prohibiting criticism of a Security Council law."

What promises to be the last important political trial in Turkey before the general elections next month, began in Istanbul in the midst of a growing concern for the future of the press.

On the stand is Nazli Ilicak, columnist of the daily paper TERCUMAN, who has already served the 3 months' sentence given her a year ago because of an article she wrote which was regarded as having violated the regulations imposed by the military.

This time, Ilicak, who is 39 years of age, is accused of a civil crime, but in spite of this fact, she is going to be tried by a military tribunal. The prosecuting attorney for the military has asked that she be found guilty in accordance with two laws of the civil code referring to "incitement to revolt" and "insulting the armed forces." If she is found guilty, this liberal journalist of the center right could go to prison for a total of 8 years.

It was clear in one of the trial sessions that a "trial of intentions" is being held. According to the prosecuting attorney, the case is based on a column published by Ilicak on 10 August on the first page of the daily TERCUMAN. In the column, she stated that dictatorship can lead only to instability as was demonstrated by the experience of so many military regimes in South America and the Middle East.

Ilicak cited a number of Turkish and western writers on the subject of democracy to emphasize her conviction that Turkey should speedily move forward toward full democracy. According to her defense attorneys, it would require

a very special brand of imagination to regard this timid lesson on the advantages of democracy as a declaration of war against the junta in power.

However, Ilicak and her defense attorneys felt satisfied with the results of the session. The judges, two military men and one civilian, accepted the postponement of the trial until 10 November, four days after the general elections.

In this second session, the military tribunal will consider a second petition of the defense that the case be studied in greater depth by a series of legal and constitutional experts selected from the membership of the College of Attorneys and the University. Ilicak's attorneys feel that an investigation of this sort will be of great assistance to their client.

Newspaper Closed

TERCUMAN, which is owned by Ilicak's husband, has already suffered "great economic losses" as a result of the fact that it was closed for a total of 34 days during the last 12 months. On both occasions, the reason given by the authorities was Ilicak's decision to fight the feeling of resignation that has been threatening the press for 2 years.

There is no chance that this feeling will disappear merely because the elections promise a certain kind of "gradual return to democracy." A new press law passed this week has caused great concern among journalists and all who feel that a free and independent press is essential to Turkish democracy.

The law was passed with no more than a month's deliberation by the advisory assembly, which has been acting as a legislative body since the seizure of power by the military. It provides for a radical change in the laws and practices relative to the press in this country that have been in force for the last 50 years. Under the new law, the press no longer enjoys automatically any of its recognized rights. It would have only the rights defined by the state.

The new law envisages a long series of cases that could lead to severe penalties involving imprisonment for journalists and, in general, for crimes of opinion. The present "economic sanction," which calls for a ban on the publication of "guilty" periodicals for the purpose of undermining them financially, will still be in force. In the future, even newspaper vendors or those engaged in obtaining subscriptions could go to prison if the newspaper distributed by them is regarded as guilty of a long list of "crimes against the state."

The most pessimistic observers say that the postponement of the Ilicak trial is in no way a sign of a serious political change and that the iron-fisted control being exercised under the pretext of combatting anarchy will continue for some years to come.

Ilicak's trial, which will be resumed immediately after the elections, is regarded as a good example of the political climate that may envelop Turkey in the weeks ahead.

PROBLEMS OF FRENCH ARMS SALES TO THIRD WORLD

Paris DEFENSE NATIONALE in French Jul 83 pp 73-80

[Article by Georges Chatillon: "France and the Third World: Arms Problems"]

[Excerpt] The following article is a condensed version of a paper prepared by Georges Chatillon of the University of Paris 1, Pantheon-Sorbonne, for a 1-day seminar on "Defense and University Research." This seminar was organized by the National Defense General Secretariat and dealt with France's security, the requirements of development, and domestic and external factors.

When viewed from an arms standpoint, the Third World embraces--in 1982--several categories of countries. There are those countries that produce weapons of their own design or under license. Then there are those that are of important strategic interest to their suppliers and have the financial resources with which to procure arms: oil-producing countries of the Persian Gulf and Middle East, Indonesia, Nigeria, etc. There are, however, other countries which, although strategically important to their suppliers, do not have sufficient financial means: Pakistan, Morocco, Ethiopia, Angola, various Central American and South American countries, Yemen, etc. Lastly, there are all those countries that are of little strategic importance and have no money.

According to the 1981 yearbook published by the SIPRI (Stockholm International Peace Research Institute), "the most important trends in the conventional weapons trade during the decade 1970-1980 were as follows:

- a. A general quantitative increase, particularly in trade with the Third World, including a rise in the number of countries therein buying and selling weapons;
- b. The increasingly frequent number of contracts signed with Third World countries for production under license;
- c. The emergence of Third World countries as arms suppliers; a qualitative rise in the level of technological sophistication combined with a tendency to replace an aid policy with a sales policy."

Hence, instead of continuing to make the traditional distinction between industrialized countries as arms suppliers and Third World countries as buyers, it would be more accurate to differentiate between countries making and exporting weapons and other countries. In this article, we shall limit ourselves to conventional weapons or weapon systems, with the notion of development encompassing its most common economic meaning.

This whole issue raises several questions:

- a. What is France's status as an arms supplier to the Third World?
- b. What is France's policy on selling arms to the Third World. Is this policy linked to France's security problems?
- c. What are the strategic consequences of the expanding arms market in the light of recent conflicts?
- d. What recommendations can be made for checking the growth of arms and reducing the possibility of conflicts?

1. France's Status as Arms Supplier to the Third World

According to the 1982 SIPRI yearbook, the total value of the arms trade with the Third World practically doubled during the period 1977-1981 compared with the 5 preceding years, 1972-1976, leaping forward from 25.775 billion to 47.829 billion in constant dollars. During the period 1979-1981, the Third World's share of total arms imports was approximately 62 percent versus 69 percent for the period 1977-1980.

According to the same source, the U.S. share during the period 1977-1981 was 37 percent while the USSR's share was 33 percent. France ranked third with 13 percent, far ahead of Italy (5 percent), and Great Britain (4 percent). Since 1977, France has, therefore, become the world's third ranking arms seller. The SIPRI also reports that in this same period, France exported 76.5 percent of its arms production to the Third World. In 1981 this amounted to \$1.22 billion or 5 percent of total French exports.

In constant 1968 prices, French arms exports more than quadrupled during the decade 1970-1980. The growth rate is twice the rate of total national French exports. Not so long ago, two-thirds of all French arms were exported to industrialized countries. Since the 1973-1974 oil crisis, however, France had become attached to Middle-East oil-producing countries through arms and technology transfers. As of 1980, 80 to 90 percent of all French arms exports were destined for Iraq, Saudi Arabia, Libya, and the United Arab Emirates. From April 1980 to April 1981, 80 percent of French sales were made to the Middle East and North Africa: Mirage aircraft to Iraq, missile-launching ships to Iran, continued deliveries to Libya except from February to July because of [Libya's] intervention in Chad. During the same period, exports to the Central African Republic, Ivory Coast, and Senegal increased.

Aircraft and missiles make up more than three-fourths of French exports, while these items account for 91 and 84 percent of U.S. and Soviet exports respectively, and 55 percent of Israel's. France ranks second behind the United States in helicopter sales. Naval vessels constitute some 10 percent of French sales versus 1 percent and 3 percent of U.S. and Soviet sales respectively, but 34 percent of Great Britain's, 38 percent of the FRG's, 45 percent of Israel's, and 57 percent of the Netherlands sales. Importers continue, of course, to demand French aircraft, avionics and missiles. Successes achieved by these arms in recent conflicts will sustain this demand. Yet France must export all categories of weapons, and the Sawari program for upgrading Saudi Arabia's navy came at the right moment to give new impetus to French naval shipbuilding.

Lastly, France's status was summarized as follows by Defense Minister Charles Hernu in the 4 September 1982 issue of FIGARO-MAGAZINE: "French foreign arms sales totaled 33.8 billion francs in 1981 versus 37 billion in 1982.... Army-type equipment--Roland surface-to-air missile batteries, antitank guns, AMX [tanks and armored vehicles]--accounted for 53.4 percent of our sales last year. Air force-type equipment accounted for 35 percent and naval equipment for 11.6 percent. The Exocet [missile] is included in one or the other category depending on whether it is ship-launched or air-launched. Invented in 1969, this missile has been purchased by 18 countries. But there are three Exocet families: the MM-38 [ship-launched antiship missile] has been bought by Belgium, Columbia, Egypt, and Morocco; the AM-39 [air-launched antiship missile] has been purchased by Argentina, Iraq, Pakistan, Peru, and Qatar; and the MM-40 [improved ship-launched MM-38] which we alone possess. For, indeed, our constant concern is to have our country remain unassailable."

2. French Policy on Arms Sales to Third World

It can be said that there is in France a broad political consensus, from Right to Left, in favor of arms transfers, although the reasons therefor may be different. France has always been a major arms manufacturer and exporter. This policy has been justified as a crucial means of maintaining France's independence and helping other countries to develop their own defense systems.

Today, Charles Hernu continues--in FIGARO-MAGAZINE, 4 September 1982--to use similar arguments: "Exports... represent also an important aspect of our foreign policy. Should we let friendly nations stand alone before the two great powers? At the present time, when a country is armed by one of these two great powers, the neighboring country if it feels threatened, immediately requests arms from the other great power."

France's arms policy, and hence its policy on sales to the Third World, has always pursued a dual objective ever since the colonies gained their independence: develop an arms policy independent of the two superpowers and protect France's interests in the Third World through an unswerving policy of arms sales and military cooperation.

The rise in oil prices due to the major crises of 1973-1974 and 1978-1979, but also the strategic preservation of the independence of our oil suppliers,

resulted in shifting our arms sales mainly to countries of the Persian Gulf and North Africa, while political upheavals in Tropical Africa and South America contributed to increased arms sales to certain countries of those regions.

French arms sales would constitute a notable success and the aforementioned objectives would be fully achieved if, in addition, this policy completely guaranteed France's security, the independence of Third World countries, the lessening of tension, and indeed even a reduction in the number of conflicts. This is not necessarily the case as we shall see later.

For the moment, however, we shall examine the ins and outs of French policy on arms sales to the Third World.

First of all, there is our arms industry which directly or indirectly employs 1,535,000 persons. A drop in exports would naturally have serious repercussions and the arms industry unemployed would add to the already swollen ranks of the jobless. As an example, exports make up 70 percent of Dassault Breguet's total volume of business. It should be noted that labor unions strongly support the French policy on arms transfers, if only to safeguard employment, and that recent nationalization of the arms industry's principal, if not most profitable, companies do not always simplify the government's task.

Consequently, unless it chooses to upset its balance of payments, the value of the franc, its resupply of oil, uranium, etc., France seems doomed to continue and even intensify its policy of selling arms to those Third World countries having oil, strategic commodities, or just simply dollars. It should be noted that this policy is often implemented behind the political scene and possibly without public knowledge. It would appear that the public unrest created by the embargo against Israel and the sale of Mirage aircraft to Libya was an exception, and that this agitation was caused much more by French policy in the Middle East than arms sales per se.

Inasmuch as French arms sales are supported by the Left as well as the Right and labor unions, it appeared illogical not to profit from this political assistance. Under the Fourth Republic, a law dated 30 June 1952 included a provision requiring that parliamentary committees be informed of arms sales, but that provision became a dead letter. In November 1981, Charles Hernu pledged to inform Parliament "ex post facto" of the signing of export orders for arms. Every 6 months, the government will submit a summary report on war materiel exports to the chairmen and rapporteurs of the defense and foreign affairs committees of the National Assembly and Senate. Parliamentarians will be notified of contracts signed with foreign countries and will be able to take cognizance of intergovernmental agreements governing the production and marketing of cooperatively designed equipment.

On 29 June 1978, Jean-Pierre Cot and Charles Hernu, then Socialist Party members of the National Assembly, introduced Assembly Bill No 536 "establishing parliamentary control over exports of war materiel." Following are a few phrases extracted from the reasons advanced for this legislation: "France is

the leading per capita seller of arms... This situation heavily influences the conduct of our country's foreign policy and defense policy. As a matter of fact, it has been noted for several years now that the prevailing commercial and financial requirements of arms sales obtrude too frequently on the determination of France's foreign policy objectives... It is obvious to us that France must cease all weapons and war material trade with colonialist, racist, or fascist governments... In many countries, the United States, Sweden, and Italy, for example, legislative bodies exercise strict control over the commercial and financial terms and conditions under which arms contracts are arranged."

In replying to Senator Pierre Calvi, Defense Minister Charles Hernu--as reported in LE MONDE, 11 November 1981--endeavored to explain that revision of the policy on French foreign arms sales will be based on three principles:

- a. "The aim of our arms exports policy will be to introduce a certain degree of moralization into this type of trade. Increased consideration will be given in particular to the risks of having this military equipment used for the repression of people's movements.
- b. Coming policy orientations will take into account the contribution arms exports can make to equipping our armed forces at the lowest cost, to industrial employment, and to France's diplomatic action in behalf of the independence and sovereignty of nations.
- c. A priority effort will be made to take action in cooperation with other democratic countries, while respecting each partner's sovereignty."

These comments by the defense minister were a follow-up to those made by Prime Minister Mauroy at the official luncheon for the 32d Paris air show, as reported in the QUOTIDIEN DE PARIS, 18 June 1981: "As regards exports of military equipment, I should like to emphasize that we shall abide by the international obligations we have assumed in the arms field, and likewise by all commercial transactions... France and French manufacturers are and will always be trustworthy and reliable partners."

When it was in the opposition, the Socialist Party wanted to ban the sale of arms to racist or fascist countries and then to countries at war, or to countries which by their policies were a direct threat to other countries. In June 1981, these criteria applied to Iran (three missile-launching fast attack craft impounded at Cherbourg), Iraq (helicopters, missiles, armored cars), Libya (missile-launching fast attack craft), Chile (Mirage 50 aircraft), South Africa, and Argentina with, among other items, 14 Super Etendard aircraft ordered in February 1980.

The contracts signed by France were, nevertheless, honored. It is too soon to assess the government's new arms policy. While that policy's major principle is to honor contracts made by previous governments, its attitude toward new orders still has to be examined. It will be noted that the expression "a certain degree of moralization into this type of trade" is quite woolly. Does it mean that certain contracts are immoral? The government's

effort to moralize the arms trade is probably commendable. Yet can it resist the pressure of demand from importing countries and the fierce competition from the principal suppliers, including those from the Third World? Can it hold fast against the necessities of the policy of full employment in arms industries, against France's requirements for raw materials and foreign currency?

Furthermore, in the negotiations on arms purchases, some countries introduce political conditions that are difficult to meet. "As for India, one of its demands was for a quid pro quo in exchange for the eventual purchase of 150 Mirage 2000 aircraft, namely that Pakistan be black-listed from French-made military equipment. To which French negotiators retorted that India should in turn agree to no longer be supplied by the Soviets. But will the president-elect and a new government basically vouch for such a deal?" (LE MONDE, 14 May 1981).

The arms sales policy is at the heart of security issues, at the interface between diplomatic action and military strategy. The issue is simple: Is France's security ensured by French arms sales to the Third World?

8041

CSO: 3519/42

MADRID-PARIS TO SIGN MILITARY COOPERATION AGREEMENT

Madrid EL PAIS in Spanish 6 Oct 83 p 16

[Article by C.Y. [Carlos Yarnoz]]

[Excerpt] The minister of defense, Narciso Serra, will go to Paris early this morning where he will sign with his French opposite number, Charles Hernu, a military cooperation agreement between the two countries tomorrow. This new agreement replaces that signed by Spain and France in 1970 and opens the possibility of genuine Spanish-French cooperation in the production of advanced war materiel. The implementation of the agreement will depend on the political resolve of both sides which, according to the Spanish Ministry of Defense, presents very optimistic prospects.

The 1970 agreement includes a preamble and two protocols. The preamble mentions that Spain and France are part of one geographic region and have common interests in the field of security. The first protocol refers to cooperation between the armed forces of both countries, especially as regards the carrying out of joint maneuvers. The second protocol notes the French commitment to favor the total or partial production of war materiel in Spain.

In brief, the new agreement, according to the comments made by Spanish military sources yesterday, does not introduce significant new features but rather limits itself to opening new possibilities in the field of the armaments industry. On the basis of these sources, the agreement will favor sizable technical assistance to Spain's war industry.

The decision to draft a new agreement was approved by Ministers Serra and Hernu during the official 2-day visit which the French minister had paid to Spain last April. On the Spanish side subsequent negotiations have been effected by the director general of weaponry and materiel, Gen Jose de Andres Jimenez, and by Gen Francisco del Rio, member of the general secretariat of defense policy. Gen De Andres will accompany Serra on this visit.

Presently France is the principal supplier of arms to the Spanish Armed Forces after the United States. In the field of aeronautics, Spain has acquired in the last few years 102 Mirage-3 and F-1 combat aircraft for a total value of 84,133 million pesetas. The Spanish Air Force has also bought several French helicopters. Similarly, Spain has produced 200 AMX-30 battle tanks of French patent. Right now, Spain is building four submarines of French technical prototype and has the prospect of possibly building French-model antiship and antiair missiles.

BILL INTRODUCED TO REWORK LENGTH, TYPE OF MILITARY SERVICE

Madrid EL PAIS in Spanish 6 Oct 83 p 15

[Article by Carlos Yarnoz]

[Text] The military service bill which the government decided to send to the Cortes yesterday is the first legislative measure in the defense field which has received the executive's green light, 10 months after Narciso Serra became minister of defense. The bill has experienced vicissitudes since the beginning of its drafting over 2 1/2 years ago. Its principal new feature compared to Law 55/1968, now in force, consists in the reduction of the duration of the draft, which the new bill sets between 12 and 15 months. Presently, military service runs between 15 and 18 months.

Similarly, the age of those inducted is lowered to the year when the draftees turn 19 instead of when the boys reach age 21, as is now the case. An effort is thus made to have the timing of the call-up coincide with the completion of studies for the BUP [General Uniform Baccalaureate] and the COU [University Orientation Course]. Advancing the age of draftees will be effected gradually in the coming inductions.

Similarly, the bill opens the possibility that, with a minimum military service period of 20 months, the youths could fulfill their draft obligations as "special volunteers" performing technical duties and possibly getting compensation.

The government bill will now include "conscientious objectors" in its specific list of "exemptions from military service." However, all others would "swear an oath or pledge loyalty to the flag in accordance with rules issued by the Ministry of Defense in this respect," according to the provision in Chapter 3 of the bill. Alternative service for conscientious objectors will be determined in an appropriate law relating to the situation.

Women can perform their military service on a voluntary basis in peacetime but mandatorily in wartime. In this case, too, future regulations will determine the applicable conditions.

One of the most contentious points of the military service bill relates to the location where it is to be performed.

The bill provides that the size of the boys' contingents and the locations where they are to be assigned will be determined "on the basis of an annual lottery drawing."

The military commands are opposed to the concept that a high percentage of draftees should perform military service in their regions of origin, but this issue will be guided by subsequent regulations on the matter.

2662

CCSO: 3548/22

SOLDIERS' MAGAZINE REPORTS CHARGES OF BRUTALITY IN TRAINING

Hamburg STERN in German 22 Sep 83 pp 180-182

[Article by Horst H. Schoop: "Torture in the Model Nation"]

Interrogation specialists of a Swedish military school mistreated and humiliated young conscripts--supposedly as "training."

"I was bound, then they pulled a hood over my head. My hands were tied to a pipe. Then somebody beat me with a wooden club."

The man recounting this doesn't live in Uruguay, Afghanistan, or South Africa. He's the 19 year old combat diver Magnus Hulth, now completing his service in the Swedish Army.

The things about which he and other young soldiers reported in "Vaernplikts Nytt," the monthly magazine for young soldiers, and which they backed up with photos taken covertly, have plunged the army of the democratic model Sweden into a major scandal: For the sake of training, young recruits have for years been humiliated and mistreated by their comrades-in-arms, soldiers had to stand at attention for 25 hours or longer, they were beaten and tortured. A few of them had broom handles shoved up their anuses, one had his penis smeared with shoe polish.

A military school in Uppsala where interrogation specialists are trained is the focus of the scandal. In their theoretical instruction the career soldiers study, among other things, history, strategy, and Russian as their main language. They also learn about the "Geneva Convention," which forbids any mistreatment of prisoners of war. In their practical exercises, however, on the orders of their officers these future experts resort to methods reminiscent of the practices of Latin American torturers.

"On June 9th of this year we came back from an exercise famished and totally exhausted," combat diver Magnus Hulth reports, "we were lying in the ship sleeping. Suddenly we heard orders in Russian. Then in broken Swedish: 'Everybody on deck.' We did what we were ordered, they told us it was an exercise."

The exercise turned into a nightmare: the "interrogation specialists" from the military school in Uppsala tied up their comrades and pulled sacks over their heads. "We sat like that the whole night. In the morning towards five o'clock they led us off the ship. In a fortress on the island of Rindoe we were tied to ropes hanging from the ceiling in a cellar. The floor was wet, it was ice cold, and we weren't allowed to talk to each other. One by one they took us to be interrogated in an adjoining chamber. We had to stand up for seven hours. I admit to having wept."

Thomas Zachariasson, 20, Fredrik Ewerloef, 19, and Fredrik Ekman, 19, requested transfers to another unit after 15 months of "interrogation specialist" training in Uppsala. They told the Stockholm daily newspaper "Expressen": "We tried to stop the use of force during the interrogations. We protested when we were called upon to box our tied up comrades in the stomach. Our superiors explained that this was just a realistic exercise and that in wartime nobody would respect the Geneva Convention anyway."

The "torturer's apprentices" from Uppsala travelled to other army units in order to try out their practices on live specimens. After "interrogation exercises" at the paratrooper school in Karlsborg in May 1983 a military physician blew the alarm. One of the soldiers had water in the lung as the result of the mistreatment; other paratroopers contracted heart rhythm disorders.

Military physician Claes Davidsson: "I discovered heart problems in a 20 year old career soldier. I wrote in a report that these exercises were extraordinarily hazardous."

The head of the military school in Uppsala, Lieutenant Colonel Sven Sandell, seems surprised at his soldiers' charges. "Protests have never reached my ears," he says. "Our training is certainly hard. And it has also happened from time to time that on doctor's advice we had to pull someone out who couldn't stand it any longer."

All of the "exercises" were accompanied by the scientific review of physicians and psychologists from the Military Research Institute of the Swedish Army. They recorded in protocols the reactions of the "victims"; when they broke down, when they begged for water, when they lost consciousness. These protocols could have provided information about the extent of the "torture" to an army investigating committee called together by the commander-in-chief, General Lennart Ljung. But the documents were destroyed because they were "confidential."

12412

CSO: 3620/12

SUMMIT TO REASSESS MADRID-LISBON TRADE IMBALANCE

Madrid EL PAIS in Spanish 6 Oct 83 p 55

[Article by Nicole Guardiola]

[Text] Lisbon--Revision of the fishing agreements new in effect and correction of the imbalance in trade between Spain and Portugal are the basic objectives of the Spanish-Portuguese "summit" this November, according to the Portuguese minister of foreign affairs.

In the hour-and-a-half-long interview which he held yesterday with Portuguese television, in which he analyzed the main themes of the Mario Soares government's foreign policy, Socialist Jaime Gama took an especially firm, and even hardline position when he dealt with the subject of bilateral relations with Spain and of Portugal's joining the EEC.

Regarding Spain and the problems of the fisheries, Gama said that Lisbon would not authorize Spanish boats to fish within the 12 mile limit in Portuguese waters again.

"We cannot agree to practices that are no longer compatible with the new Law of the Sea," Gama emphasized; and the November "summit" should open the way to "correcting the judicial framework" created by the 1969 Spanish-Portuguese agreements. The Portuguese foreign minister believes that Spain ought to adopt a "constructive attitude," and the counter-proposals that Lisbon is offering are still the same as always: permission to fish within the exclusive 200 miles economic zone, and the creation of mixed fishing enterprises for joint exploitation of Portuguese waters.

As for commercial exchanges, the Portuguese minister thinks that the Portuguese demand that measures be taken to correct the present trade imbalance in favor of Spain is an "basic" one. All in all, it appears that all the concessions are to be on the part of Spain, and that Madrid can hope for few benefits in the November meeting between Mario Soares and Felipe Gonzalez. Jaime Gama does not see it this way: Madrid can also obtain real benefits from the negotiations. The administrative limitations imposed by Lisbon on Spanish exports to Portugal, which this year have seriously affected the volume of transactions, are "negotiable." In the opinion of the Portuguese minister, they constitute a "timely weapon" for his government, which could compromise bilateral trade even more if Portugal and Spain do not manage to establish better relations.

RAILROAD COOPERATION AGREEMENT WITH CHINA SIGNED

Paris L'HUMANITE in French 28 Sep 83 p 14

[Text] Chen Puru, the People's Republic of China's minister of railways, who is on a week-long visit to France and Charles Fiterman, minister of transportation, signed yesterday "an agreement on cooperation in the railroad sphere" which is likely to open new prospects and important economic exchanges.

During his visit the Chinese minister had talks with railroad industry officials and visited several enterprises in Blois, Saint-Pierre-des-Corps and Belfort (Alsthom). On Saturday he was received in Lille by the prime minister and visited the VAL [expansion unknown] after attending, last Thursday, the inauguration of the new TGV [Very Great Speed] rail-link between Paris and Lyons. He also had the opportunity to talk with officials of the SNCF [National French Railroad Company].

The significance of the cooperation agreement escapes no one. Transportation is "of strategic importance for the economic development of China" according to Chen Puru but French-Chinese exchanges in the railroad sphere have remained far below their possibilities. The signing of the "scientific, technical and industrial" agreement--coming 5 months after the president of the French Republic paid a visit to China in which Charles Fiterman also took part--has turned France into a full-fledge partner.

The Chinese minister, who has invited Charles Fiterman to go to Peking, underlined "the importance of the agreement which will produce tangible results." He said that the TGV and the VAL "are proof of the French advance in railroad and subway transportation" and he underscored "the high level of development which they have achieved."

For his part Charles Fiterman gave a broad outline of the cooperation which must meet "the needs, objectives and interests of our respective countries." The French minister mentioned transfer of technology, training, industrial cooperation such as in joint construction. A group of experts has been set up in each country to follow the implementation of the agreement. What about specific projects? "In everything one does, one must advance step by step and as when eating a meal, one must swallow one mouthful after another," the Chinese minister concluded.

8796

CSO: 3519/25

THOMSON, CGE CEDE DATA-PROCESSING LINE TO BULL

Fabius on Bull's Future

Paris LE NOUVEL ECONOMISTE in French 19 Sep 83 pp 52-53

[Interview by Jean Gloaguen and Anne-Marie Rocco with Minister of Industry and Research Laurent Fabius: "Playing the European Card"]

[Text] To create 80,000 jobs between now and 1986, and 200,000 by 1990; to achieve a surplus of Fr 30 billion in the trade balance at the end of the decade; to raise the technological and industrial position of France: the "electronics chain" plan, approved by the Council of Ministers on 28 July 1982, set itself a number of objectives as ambitious as the budget that was to be devoted to it--i.e., Fr 140 billion in 5 years. Where does it stand today? In the space of a year, the French industrial landscape has changed considerably. With Thomson, the CGE [General Electricity Co], MATRA [Mechanics, Aviation and Traction Co] and the Bull computer group, 49 percent of the French electronics industry has recently been nationalized. Never before has a government had such a political tool at its disposal. Many "border adjustments" have been made. Saint-Gobain had to get out of electronics under pressure from the public authorities. The number of industrial poles financed by the "components" plan has been reduced from three to two; Thomson and MATRA. The CGE and Thomson have ceded their computer subsidiaries to Bull. A final operation could soon complete the setting-up of this new framework: the establishment of a single pole in the telecommunications area around CIT [Industrial Telephones Co]-Alcatel, the CGE subsidiary. Will all these regroupings enable France to achieve its industrial objectives? On the eve of the SICOB [Exposition of Office and Business Supply Industries and Office Organization], which will bring together all the big business in electronics, the minister of industry and research, Laurent Fabius, replies to the questions of LE NOUVEL ECONOMISTE.

[Question] Last year, the government set Fr 140 billion as the financial effort to be made in favor of the "electronics chain." Wasn't this putting the bar too high?

[Answer] It is a 5-year amount and one that is the sum of some very different things: the overall effort in carrying out the restructurings successfully, research and development, the investments, the public part and the private part. The central point, in any case, is the choice of the electronics chain as the country's No 1 industrial priority. The Ninth Plan's decisions confirm it, and a forthcoming Council of Ministers meeting is to be devoted essentially to that topic. Beyond the strictly industrial aspects, we are going to develop computer training massively and introduce an unheard-of type of cooperation between manufacturers and scientists to define an overall approach to the purchasing policy of the governmental administrations and the nationalized firms on a contractual basis. Despite the economic difficulties and the budget restrictions, we must not relax our effort. Furthermore, a very important effort to diffuse the new electronics technologies is going to be undertaken in order to modernize our industrial apparatus and improve its productivity. Betting on electronics simply means having the intelligence of the future.

[Question] What, from the point of view of the electronics-chain plan, is to be the role of the nationalized Bull computer group?

[Answer] Bull cannot do everything. We must not lose sight of the fact that its total turnover is no more than IBM's total research budget! Some important restructuring has already been done (Sems, Transac). Considerable and positive efforts have been made, and deliveries have increased by 30 percent in 1 year. Having said this, one cannot reason in terms purely of computer technology today. Telematics, computer technology and office automation--"TIB": all this goes together. The American company IBM has contracted alliances in the area of components and the private telephone business. Inversely, the Swedish company Ericsson, coming from the telecommunications sector, is taking an interest in computers. In the face of such developments, we have to adapt. That is what has inspired the rapprochement between the Ministry of Industry and Research and the PTT [Posts, Telegraph, Telecommunications].

[Question] How do you explain the fact that France, contrary to Japan, missed the turn into electronics?

[Answer] We have areas of excellence. France is among the top countries in telecommunications, software, professional electronics. Several French companies are capable of playing the leading roles in office automation, in telematics mainly. But it is true that some lag built up in the past. It has been said of the Japanese that they foresaw with great precision the evolution of the technologies and sectors most in the vanguard. The reality is more complex. At the beginning of the 1970's, they chose to concentrate their efforts on three sectors: steel, shipbuilding and automobiles. Then Japan's flexibility enabled it to take note, along the way, of the decisive importance that electronics was going to take on, and to act accordingly. We do not have this flexibility in France.

There is something that is just as preoccupying. In reality, we have not yet learned to build the industrial Europe for the technologies of the future. Electronics is a sector in which a single firm, or one country in isolation, will find it very difficult to stay in the first rank. But if one adds up the research expenditures made by the European countries, one notes that in several areas, they are greater than those of Japan. There is certainly a card to play at the European level.

[Question] But all the attempts at industrial rapprochement among Europeans, since the founding of the Common Market, have failed. And quite recently, in the case of the French company Thomson and the German company Grundig.

[Answer] Indeed, the difficulties are great. But if we do not develop European cooperation in the areas of sciences, technologies, industries, we run the risk of an economic vassalization in the coming 10 years. The negotiations between Thomson and Grundig were not successful. Others, I hope, will be. This is already the case with the negotiations that have taken place among Bull, ICL [expansion unknown] and Siemens, that concluded a few days ago in an agreement on creation of a joint research center. It is up to the firms to take initiatives for cooperation. The governments cannot do everything. They can stimulate collaboration in certain areas, encourage the firms to do so, as the European Esprit program demonstrates in the computers-electronics area. From the point of view of France, the sectors in which there could be cooperation in the area of electronics are in particular: robots, computerized production, automation, optical fibers, videotelephony, telecommunications. At the beginning of the week, we submitted a memorandum in this sense to our EEC partners on the new policies, with a view to the coming Athens summit. France, which will have the presidency of the Council of Ministers of the EEC next year, wants to facilitate the development of this European industrial, scientific and technological cooperation.

[Question] A year and a half after the nationalizations, don't you have the impression that everything is going very slowly, and that the state's money is going more to compensate for the deficits than to encourage the establishment of new technological positions?

[Answer] It is perfectly true that the firms that have been nationalized were generally in a poor financial situation. Lack of their own capital, lack of investments, difficulties and even errors in management, etc. To swim against the current and reestablish equilibrium--which is indispensable--necessarily takes time and investments. Since 1981, quite a few things have been done. In 1983, when, generally speaking, investment is weak in France, the 11 nationalized groups that come under my department are increasing their investment in France by nearly 30 percent, which supports the general economic activity.

But in industry, as you know, time is long: time for training, time for research, time for investment. The nationalizations, managed in a dynamic manner, on an innovative social basis, and endowed with sufficient means, can be powerful levers for industrial success. I am also counting on the lever that

the medium-size and small firms constitute; by their very flexibility, such firms are capable of creating a good part of the jobs that we need.

Government Rescues, Revives Bull

Paris LE NOUVEL ECONOMISTE in French 19 Sep 83 pp 54-59

[Article by Anne-Marie Rocco: "The Third Rescue of Bull"]

[Text] Can something old be made out of the new? CII-HB [expansion unknown] becomes simply Bull, rejuvenated, nationalized, simplified and highly subsidized, and is moving out to conquer the French market.

Does the French computer industry still have a chance? Nationalization, renegotiation of the agreements with the American company Honeywell, absorption of the computer subsidiaries of Thomson and of the CGE: 20 years after the first shaky steps taken by the computer Plan, the French computer manufacturer has just changed its by-laws, structures and objectives once again. And even its identity. At the SICOB Exposition, held in Paris-Le Defense from 21 to 30 September, CII-Honeywell Bull disappeared in favor of plain "Bull." The reasons for this new deal: to ensure greater technological independence for France, to refloat a firm with a chronic deficit: familiar ground.

Reestablish between now and 1986 the financial equilibrium of a business that lost Fr 1.3 billion last year? The 1975 plan, which, under the auspices of Michel d'Ornano, gave birth to CII-HB, had already set itself that objective--for 1979. Put France into third place in the world, behind the United States and Japan, by the end of the next decade? The president and general manager of CII-HB, Jean-Pierre Brule, wanted to take first place in the national market away from IBM France. Neither CII-HB's real efforts nor the state's purchase commitments--with a value of more than Fr 4 billion in 4 years--enabled it to reach that goal. Eight years later, Bull has still not cleared the 30-percent mark.

In 1975, the subsidies to CII-Honeywell Bull had been fixed at Fr 1.2 billion for the duration of the plan, and were exceeded. This time, they are Fr 1.5 billion for 1983 alone. The taxpayer, imposed on under de Gaulle, Pompidou and Giscard, is beginning to have a legitimate doubt. For after all, is it really possible to make something new out of the old?

Two men have been assigned the task of revving up again this machine which, in 1982, ran at barely more than 60 percent of its capacity. Two men with different origins and styles. The president and general manager--Jacques Stern, 51, an Ecole Polytechnique graduate with a degree from Harvard--first placed his computer competencies at the service of National Defense, before founding his own company, the SESA [expansion unknown], known for its role in construction of the Transpac network. He is a professional and has the confidence of the president of the republic. The general director--his right-hand man, Francis Lorentz, 41, who is enthusiastic about mountains and Asia and has diplomas from the HEC [School for Advanced Business Studies] and the

ENA [National School of Administration]--is, for his part, familiar with the wheels of the government administration after 10 years in the DATAR [Delegation for Territorial Development and Regional Action], the Treasury and the CODIS [expansion unknown].

Normalizing--"We want finally to behave like real industrialists": Mr Stern begins by calling the suit. No more extravagant isolationism, Utopian Europeanism, paralyzing Atlanticism. We need some pragmatism that draws its inspiration sometimes from the United States, sometimes from Japan. CII-HB--the world's 12th-ranking builder of computers, No 1 in Europe in terms of market shares--suffered perhaps from having been too ambitious, or not enough. Despite an honorable ranking, on the whole, neither the quality of its products and services, nor its efficiency, nor its technological range corresponded to the standards of the competitors whom it intended to confront. Will Bull, the successor to CII-HB, give itself the means this time to take up this threefold challenge?

Mr Stern's No 1 priority has been to make the production instrument function correctly. "The computer industry is an industry of the perfect. If everything is not perfect, it must be considered that the service has not been rendered." Mr Jean Antier, 51, the former director of the Montpellier IBM plant, is in a good position to know the requirements of the trade. Furthermore, he has been chosen to head up the Angers industrial complex (3,850 persons, including the Joue-les-Tours establishment) precisely because the nationalized group sometimes forgot what these requirements are. In addition to the long-term task that he has taken on, this elegant and caustic man has been assigned an urgent and highly symbolic mission: getting the DPS-7's out in time. The DPS-7--the veritable standard-bearer of the technological independence sought by all the successive computer plans--is nothing other than the first production computer 100-percent designed by French engineers. But since it was launched in 1979, it has been impossible to produce it by the promised deadlines. This industrial failure has harmed the reputation of the French group and has seriously impaired the morale of the troops. "Since November 1982, Angers has met all its deadlines," Mr Antier notes with satisfaction. This performance is to be confirmed. For beyond the symbols, it is a matter of transforming the state of mind of 25,000 persons.

Battle--Mr Bo Bergsten--Swedish by nationality, French by adoption--is also a key man in this battle both psychological and industrial. Twenty-one years in the firm have not impaired either his critical spirit or his stolidity--two qualities very necessary to exercise of the functions that he was the first to fulfill at Bull: director of quality. Appointed 2½ years ago by Mr Brule, Mr Bergsten has been taking a great deal of action, as if trying to make up for lost time. Since the beginning of the year, he has had 3,000 persons with manufacturing responsibilities, from the skilled workers to the directors, take a quality-sensitization seminar. Starting this Fall, it is the turn of the marketing people--who are just as numerous, if not more so--to go to hear the good word. He has asked each of the group's plants to take a test product and decrease the number of its defects in a measurable manner. One shudders a little to think that at Joue-les-Tours, the percentage of Mini 6-31's in perfect condition for selling as they left the shop--

75 percent today--had fallen to 15 percent! One shudders even more at the idea that the peripherals bought from other manufacturers to go with the Bull central units were still, until a few months ago, received, stored--sometimes for months--and delivered to the customers without a single check to make sure that they functioned properly! It took Mr Bergsten's intervention to impose not only these checks but also a "first in, first out" management system. The B A BA [expansion unknown] of the industry.

The launching of an experimental quality club at the Belfort plant, audits of all kinds, the setting-up of alert systems on the production lines, the hiring of quality-control experts: from the factories to the offices, and including the maintenance teams, all approaches are being used in the effort for the French group to catch up on its industrial lag. Especially those things inspired by the Japanese model--or the IBM model. According to Mr Bergsten, nothing will escape his next initiative. "We want to promote performance standards--that is, to push everyone to set objectives for himself and to adhere to them." Examples? For the switchboard operators: answering before the third ring. For the commercial departments: eliminating any returns of invoices, because wrong addresses and incorrect billings make such a poor image for a computer manufacturer. For a director: keeping 100-percent to his appointment schedule.

After Vacation--A venial sin. Mr Lorentz received LE NOUVEL ECONOMISTE 20 minutes late. There was doubtlessly some excuse. His return to work after the vacation period is like that of a lycee director confronted with the problems of teacher changes, transportation of students, arranging schedules. On their return from vacation, a good thousand employees of the Paris region found on their desks a letter from the management indicating a new assignment, a new place of work, a new boss. This shuffle will go on in the coming months. One more trauma to be debited to an already gloomy history?

Absence of team spirit, lack of industrial coherence, costs out of control: from one merger to the next, it is by a rigid centralization of power that the computer group has sought to compensate for the secondary effects of this string of mergers. Without great success. Even sport has never succeeded in bringing closer together people who nevertheless had to work together: on Avenue Gambetta in Paris, the sports club has kept on calling itself, against wind and tide, AS [Sports Association] Bull; at Louveciennes, the engineers and technicians continue to play their matches in AS CII t-shirts. The management--already complicated as a result of the Bull, Honeywell and CII regroupings--ran the risk of being transformed in a mission impossible with the two new things put in by the public authorities this year: Transac, detached from CIT-Alcatel (CGE group), and the Sems, which in its last configuration combined the Peripheral Activities Division (DAP) of Thomson-CSF [General Radio Co], the former Computer Division of Telemecanique, and--the minicomputer branch of CII!

Bull's officials have modified the company's organization in order to keep from floundering. The new organization chart aims at more simplicity and decentralization. On the industrial level, four subsidiaries specialize in different types of fabrication, and each has its own development and marketing

1982 Ranking

<u>Computer Manufacturers</u>	<u>Turnover</u> ¹	<u>Net Result</u> ²
IBM	31.5	4,409
Digital Equipment	4.1	417
Burroughs	3.8	117
Control Data	3.3	155
NCR	3.1	234
Sperry	2.8	222
Hewlett-Packard	2.1	383
Fujitsu	1.9	123
Honeywell	1.6	273
Hitachi	1.6	557
ICL	1.2	22
CII-HB ³	1.2	-206

1. Computer turnover, in billions of dollars
2. In millions of dollars
3. Not including either Transac or Sems

departments and production units: Bull-Systemes (central units; 4,800 persons); Bull Peripheriques [Peripherals] (printers, disks, input equipment; 2,670 persons); Bull-Sems (minicomputers; 1,750 persons); Bull-Transac (microcomputers, office automation; 2,600 persons), which groups the personnel of Transac, the former DAP of Thomson and people from CII-HB. On the commercial level, there is a unified network (10,000 persons) under the direction of Mr Didier Ruffat, a former financier who went on to the world of commerce after a veritable tour of the professional world. At the top of the pyramid is a general staff of 270 persons equipped with all the tools for long-term technological management: a research center (some 100 persons), "technological alert" investments--like Bull's participation in the American company Trilogy--or projects independent of the existing activities in the other subsidiaries, such as the "memory card" division directed by Mr Herve Nora, in which Bull places great hopes and which is beginning to garner its first industrial orders.

"It is necessary for this group to take shape on the level of organization as well as on the level of behavior": Bernard Boussat, director of corporate affairs, has some high ambitions. The human factor is what is essential. In order to prepare for the industrial regrouping under way, it is better to use kid gloves, though: a vast explanation campaign has been undertaken by the management for the personnel involved in the establishment of an "office automation" pole around Transac. There is a desire to take the pain out of the operations in progress, and behind this desire is an even greater ambition: to eliminate the psychological handicaps from the past once and for all. This means finally getting study teams a few kilometers apart, who continue to be half-ignorant of one another, to work together, with professional mobility helping. For this purpose, tact, perseverance and sense of

communication will be necessary. Because clearly, as far as the employees are concerned, the observation round has not ended. "In order to accept, in a good spirit, changes that present the risk of entailing personal difficulties, a stimulative outlook is needed," the CGT considers. "We are waiting for the management to explain its strategy to us." The remarks from the CGC [General Confederation of Managerial Personnel] are less delicately expressed. "Why this haste?" the managerial-personnel union asks. "Shuffling the teams, establishing greater mobility, keeping cliques from forming again--well and good, but the cart should not be put before the horse. But right now, restructuring is being done without the existence of a well-defined plan."

Ambitions--Improving industrial performance, rationalizing the structures: this action is perhaps necessary, but it cannot constitute an end in itself. What, today, could be the ambitions of a nationalized company that groups the main part of French competence in the computer field? Neither Mr Stern nor Mr Lorentz is a man of slogans or watchwords, even if many of the 25,000 employees want appeals to mobilization. Gone are the constraints of doctrine; welcome is the ideal of management. There is no longer an attempt to guarantee a buffer in the form of public orders or to attract notice by means of prestige projects. Bull wants to be a serious manufacturer of computers, capable of balancing its finances again in 4 years. It is not even a matter of recovering this or that market share from one manufacturer or another. "Let us make our technological bets, and we shall see the results afterward," philosophizes Mr Stern. It is, indeed, by seizing technological opportunities that Wang and Apple have become what they are."

In the area of products too, there are ambitions like those of a good family head. Like its counterparts--IBM, Burroughs or Univac--Bull, as a manufacturer of computers called "universal," will follow the evolution of demand. "The market is evolving toward complete information systems, which add new functions and technologies to the conventional computer: treatment of documents, of speech or graphic image, intermachine communication. From being a manufacturer of products, we are becoming a supplier of integrated solutions," explains Bulls president-general manager. Solutions in domino form, in which one can place, almost at will, big computers, minicomputers, microcomputers and 'office automation' work stations, increasingly standardized. Within this panoply, what are the specialties that Bull wants to master?"

"Commercially speaking," explains Mr Lorentz, "we have to have a very big catalogue. We are generalists of computer technology. But it would be suicidal to try to do everything on the industrial level." Furthermore, no group is taking the risk of cultivating splendid isolation any longer. IBM, the superstar, has come out of its ivory tower to enter into association with the components manufacturer Intel and the private-telephony specialist Rolm, in which the Armonk group has taken minority shareholdings. More and more, the world No 1 in computers is not hesitating to build its products by assembling "bricks" obtained from others: the IBM personal computer is made on the basis of an Intel microprocessor, and the software has been done by outside service companies. In Great Britain, the national manufacturer ICL has carried out a spectacular financial recovery by abandoning technological

autarchy and going into association with English firms (Rair, Sinclair) and foreign manufacturers such as the Canadian company Mitel (telephony) and the Japanese firm Fujitsu, which will design the integrated circuits for its next generation of computers. Neither the Italian firm Olivetti, the Swedish firm Ericsson or the German company Siemens has been doing anything different. Everywhere, the rising cost of research and the growing overlap of technologies are making such associations necessary.

All the more reason for a group whose financial situation prevents it from playing the lone wolf too much: from 1975 to 1981, CII-HB took in a grand total of only Fr 300 million in the form of its own funds. This has resulted in dizzying indebtedness (more than Fr 5 billion last year) and some mad financial costs: nearly 10 percent of turnover--that is, as much as the amounts that the group devoted to research and development.

It is not surprising, then, that in the last several months Bull has not failed to work on systematic redeployment of its alliances--both in order to gain a position rapidly in slots where CII-HB was insufficiently represented and in order to get into the technologies of the future. One anchoring-point in the United States, another in Europe: in the technological area, Bull no longer wants to put all its eggs in one basket. At the beginning of 1981, Mr Brule had already placed a bet on Dr Gene Amdahl and his new company, Trilogy, and supported his bet with financial participation. "Doctor A," the designer of the IBM 360 and a tireless creator of companies, had got it in his head to develop a new computer, very high-range, for the middle of the 1980's--a machine that would use components of state-of-the-art sophistication. More than the chair they occupy on Trilogy's board of directors, the French were interested in the possibility of using these components--and of making them in Europe. Last summer, two big names in the computer industry--Univac and Control Data--followed their lead. "CII-HB was Trilogy's first industrial investor," Bull's current president-general manager stresses. He has recently added a new stone to the structure: the creation of a joint research center for the three major European computer manufacturers--the English ICL, the German firm Siemens, and Bull. This center, installed in Munich, should begin its work at the beginning of next year and in 2 years should employ some 50 researchers of very high qualifications who will go in to all the problems of artificial intelligence. A Japanese-style strategy for the 1990's?

For the immediate future, nothing original: Bull is continuing to draw support from Honeywell in the area of big systems. The 1982 agreements, renegotiated and made more flexible, enable it to continue to exploit its partner's licenses freely for 10 years. This gives assurance that the catalogue will not change overnight. The Angers/Joue-les-Tours plant group will continue to produce its present range: two computers designed by Honeywell (the DPS-8, at the very top of the range, and the Mini 6 at the other end), and the computer worked out by CII-HB (the DPS-7), on which there are to be new developments, in the top-of-the-line direction. The Bull peripherals plant of Belfort, for its part, is increasing the fabrication of its terminals and Ques-tar printers, which for the time being represent only 30 percent of the peripherals required to go with the central units coming out of Angers.

In contrast to the machines of medium and high power, there are upheavals at the bottom of the line. In microcomputers, office automation and minicomputers--three high-growth sectors--the Bull group has, in effect, had to start its strategy over again from zero. With the Sems, Bull inherited two already old lines of industrial and scientific minicomputers--the Mitras and the Solars. Was it necessary to develop a new French machine that would be inspired by its predecessors? Three years of design studies would have been necessary--in a market in which the Sems was already 18 months behind--and a budget of Fr 1 billion. This proposal, considered for a time by the Ministry of Industry, was rapidly abandoned, in favor of a policy of industrial agreements. Bull and two public laboratories--the CNET [National Center for Telecommunications Studies] and the INRIA [National Data-Processing and Automation Research Institute]--developed a machine, the SM-90, for which TRT [Radio and Telephone Telecommunications], Dassault, Thomson and the CSEE [expansion unknown] also took the license. The first units have already begun to come out of the Sems plants. It remains to reach a licensing agreement in the area of industrial minicomputers with one of the three possible interlocutors: the Norwegian firm Norsk Data, or one of the two American firms, Harris or SEL [expansion unknown] (Gould group).

Incomplete--In the office-automation field, Bull-Transac finds itself again with four incomplete lines of equipment in its catalogue: the CII-HB work station; the products from the Peripheral Activities Department (DAP) of Thomson and from Transac, and the equipment from the American firm Convergent Technology, with which the Sems had made a licensing agreement, renegotiated and taken over by the Bull group. Simple elimination of the DAP line, merger of the Transac and CII-HB lines, and manufacture of a part of the Convergent catalogue: the solution adopted is proving complicated, and probably expensive. But Bull's management considers that the stakes are worth it; it hopes that the office-automation field will account for half of its turnover in 1986. This bet is quite similar to those of Olivetti, Burroughs and Xerox, and it also reflects Bull's hopes in the microcomputer field.

Competing--This microcomputer market has so far evaded the French manufacturer completely. In 1978, though, CII-HB had the perspicacity to take control of R2E, a well-known medium-size firm that has a number of specialists and which, though French, was nonetheless one of the pioneers in microcomputers. Unfortunately, for lack of industrial and commercial facilities, R2E has never turned its breakthrough into a success--a failure that gives one food for thought when one thinks of the success experienced by the other manufacturers, from Apple to Tandy or Commodore. R2E (recently renamed "Bull-Micral," from the trade name of its computer) lost Fr 70 million last year. And at the end of its last financial year, it had negative net assets of Fr 30 million. With rationalization, the closing of an expensive plant in the United States, the creation of a big public network with franchise retailers and stores, and the bringing-out, at the SICOB Exposition, of a new model (the 90/20) that is intended to compete with the IBM personal computer, Bull has decided to give the former R2E a second chance. Is there still time for one?

It is the rule of the game: each Computer Plan arouses new hopes--and moves the payoff date farther back. Since 1966, state aid and spectacular measures

have followed one another, but no one has found the miracle formula. Perhaps there isn't one? This indeed appears to be the thinking of the public authorities, who, contrary to the preceding administrations and after a 100-percent nationalization of Bull, are preferring to give the managers in place a free hand rather than impose on them constraints of more or less political inspiration, and while at the same time giving the French manufacturer financial means that it had never before succeeded in obtaining: one more paradox in the history of the French computer industry.

11267

CSO: 3519/27

PROSPECTS FOR GREEK-BULGARIAN TRADE COOPERATION

Athens RIZOPASTIS in Greek 15 Sep 83 p 6

[Text] The interest of the Peoples' Republic of Bulgaria in developing bilateral trade relations with our country is sincere and substantial. And, despite the obstacles, which arose from Greece's joining the EEC, there are possibilities for a further increase in trade and the constructive development of the already very good relations between Greece and Bulgaria. This is the evaluation of the press conference which was held Tuesday noon at the Bulgarian Peoples' Republic pavillion at the DETh [Salonika International Fair] with its director, Stogian Angeloff, and Sevdal Sevdaloff, commercial counselor at the Bulgarian embassy in Athens.

The Bulgarian representatives reported that in 1982 the trade and economic relations between the two countries developed within the framework of a favorable political climate, especially after the meeting of the president of the Peoples' Republic of Bulgaria, Todor Zivkov, and Greek premier, A. Papandreou, at Varna where a long-term program for economic, commercial and scientific cooperation was signed.

During 1983, commercial exchanges between Greece and Bulgaria surpassed 280 million dollars, while during the early part of 1983, commercial trade reached 137 million dollars.

Bulgarian imports of Greek products were valued at 67 million dollars while Bulgarian exports to our country amounted to 213 million dollars. This difference is of nominal value and the balance of payments between the two countries should be considered as being balanced because the difference of 140 million dollars consists of petroleum products which Greek businessmen import and re-export to other countries.

The Bulgarian representatives pointed out that the industrial cooperation between the two countries has shown an upward trend recently. Thus, there are talks at the ministerial level and with experts for the creation of mixed enterprises for the production of lathes, industrial machinery and household appliances.

A short time ago, as a result of this cooperation, there began the operation of a tannery for processing leather and furs at Xanthi and a fruit-processing plant at Giannitsa.

In addition, Bulgarian agencies for foreign commerce participate in international auctions for the undertaking of studies and the construction of railroad lines, waste-treatment plants and the manufacture of goods in our country.

At the same time, talks are taking place between Bulgaria and ATE [Agricultural Bank of Greece] for the construction of a large unit for fattening cattle and for sausage production, while there is cooperation in the area of the manufacture of busses.

At the press conference day before yesterday there were present the director of DETH, And. Kourtis, and the counselor in charge, V. Vlakhos, while the Bulgarian party consisted of the Bulgarian consul general in Salonika, Ilyia Petroff.

9731

CSO: 3521/14

ND CRITICAL OF GOVERNMENT'S INDUSTRIAL POLICY

Athens AKROPOLIS in Greek 21 Sep 83 p 2

[Text] "Entire branches of industry and handicrafts of the country have problems because of the mistakes and failures of the PASOK government."

This was emphasized, among other subjects, in a statement made yesterday by ND deputy and former minister, Mr. Milt. Evert.

"According to the analysis of the 1982 balance sheets, it appears that industry in our country is in a sorry state," Mr. Evert emphasized. "Thus, the 1,700 industrial corporations AE [joint stock companies] and EPE [limited liability companies], which cover 90 percent of our industrial production, showed a loss of 8.4 billion drachmai during 1982 as compared to profits of 14.3 billion drachmai in 1981. More specifically, profits decreased in profit-making enterprises by 24 percent while losses increased by 11.6 percent in enterprises operating at a loss.

"This means that the administration will lose more than 8 billion drachmai in corporation income taxes, that it will be impossible to create reserves for new investments in 1983, but, mainly, the needs for loan financing by the banking system will surpass 20 billion drachmai. On the other hand, according to reliable indicators to date, the 1983 situation is much worse.

"The losses are more significant in industries that operate with large capital out-lays than in those operating on work output. This means that the losses are the result of high interest rates and the devaluation of the currency.

"Consequently, the first thing the administration must do--Mr. Evert warns--is to lower the interest rates for financing handicrafts and industry by at least two points.

"The data I am making public are unimpeachable and the administration must know them. For this reason, it evidently tries to mislead the people by touting certain industries."

In concluding, Mr. Evert said:

"The administration must become aware that we are trying to help in complex situations such as these because we do not wish to inherit chaos which will be very difficult to sort out."

FARMERS OPPOSE PASOK'S 'COLLECTIVIZATION' PLANS

Athens AKROPOLIS in Greek 18 Sep 83 p 18

[Text] On the occasion of the closing of the general assembly of PASEGES [Panhellenic Supreme Confederation of Unions of Agricultural Cooperatives], the Farmers Section of the ND's Administrative Council emphasized, among other things in a statement, that the PASOK government, in pursuing its anti-farm policy, has prepared a new bill on farm cooperatives with which:

The system of liberal farm economy is abolished and "collectivization" is introduced into the agricultural sector;

It curtails the free association or disassociation of a member with the cooperative;

It imposes allegedly voluntary personal labor on a member;

It decrees the principle of one Union of Farm Cooperatives in each nome;

It demotes the principal cooperative by cutting down their jurisdictional responsibilities;

It introduces party control in order to deprive farmers of the power of resistance in political will.

After all of this, the ND denounces the new effort of the government as trapping the farm community into a system alien to the international practice of free economy and forewarns the farmers about the woes awaiting them with the "collectivization" of agriculture.

9731

CSO: 3521/13

ATHENS READY TO TIGHTEN REINS ON BIG COMPANIES

Athens I VRADYNI in Greek 21 Sep 83 pp 1, 12

[Text] The prosecution of private corporations has been intensified on the basis of a specific list of proscriptions which the government has prepared and is slowly leaking to pro-government newspapers. Yesterday, the spokesman for the administration, Mr. D. Maroudas, refused to deny the first-page report in the pro-government daily TA NEA that charges were to be filed against the "Peiraiki-Patraiki" and Athinaiki Khartopoiia [Athenian Papermill] companies.

In essence, Mr. Maroudas, in answer to a question on the subject, made the following statement:

"As minister of National Economy, Mr. Gerasimos Arsenis, has emphasized on many occasions that the government is interested both in the recovery and development of Greek industry. Everything else consists of clearly isolated incidents."

Despite the fact that the government spokesman is attempting to present as isolated incidents the matter of the prosecuted corporations, economic observers maintain that it involves the implementation of a well-prepared diversionary plan laid out by the government. It is not by chance that the report about two of the largest industrial units in Greece was leaked yesterday to a pro-government newspaper, while today the minister of National Economy, Mr. Ger. Arsenis, will make statements on the state of the economy. It must be taken for granted that Mr. G. Arsenis will repeat his theories about the opposition of the Right and Capitalism and will make reference to the "cleanup" while he will once more express optimism for an upturn in... 1984.

In the meantime, reports have been published by the pro-government press of the prosecution of the "Titan" cement industry, of "Steelworks," of the "Marinopoloi" complex and the "A-V Vasilopoulos" commercial complex.

The In-Fighting Intensifies

Meanwhile, according to reliable sources of VRADYNI, the in-fighting within PASOK about the prosecutions of the corporations has taken on an explosive aspect and came out in the open yesterday at the "highest level" during a meeting at Kastri.

Participating in this meeting was the director of the premier's Political Office, Mr. A. Livanis, who placed himself on the side of the minister of National Economy, Mr. Ger. Arsenis, and thus was on a collision course with the minister of the Merchant Marine, Mr. G. Katsifaras, who has taken the side of "National's" director, Mr. Panagopoulos, not only on the subject of the memorandum, but also with his views in general.

Mr. Katsifaras came out of the meeting the stronger and, consequently, Mr. Panagopoulos' views prevailed.

In the scenario now developing among government circles it is clearly evident that Mr. Vaitsos is being groomed, while Mr. Arsenis is to be replaced.

9731

CSO: 3521/13

BISHOP OF CORDOBA ON NEED FOR COMPREHENSIVE LAND REFORM

Madrid YA in Spanish 27 Sep 83 p 24

[Interview with Monsignor Infantes Flórido, bishop of Cordoba, by correspondent Antonio Gil: "Andalucia Needs Comprehensive Land Reform"; date and place not given]

[Text] "Andalucia is waiting for comprehensive land reform, something which is needed and has never been accomplished," according to a statement to YA by the bishop of Cordoba, Monsignor Infantes Flórido. "If we lose the opportunity to bring it about," the prelate added, "we shall have lost not only time, but we shall also have closed the gate on hope. But we must not think of agrarian reform as a magic wand for solving all of Andalucia's problems, because Andalucia is not merely agrarian, it has industry, fishing, mining, tourism, education, culture, art, energy and many other possibilities and needs, not to mention the great theme of the religion and faith of our people."

[Question] The subject of agrarian reform is being discussed everywhere. Can you tell us in what way it interests the bishops?

[Answer] Agrarian reform is important to the bishops for two principle reasons: because it is a problem of the people, our people, and because from the viewpoint of Christian thought there is something we must remember. I am referring principally to the works of John Paul II in his encyclical "Laborem exercens": "In many situations radical changes are urgently needed in order to restore to agriculture and to agricultural workers their proper role as the bases for a healthy economy in the context of the development of the social community." This does not mean, he goes on to say, that the bishops claim to have an alternative plan of a technical sort with specific proposals on the macroeconomic level. But we do have a Christian way of looking at the problem, and certain points of reference from the teaching authority of the church, which can help politicians and technicians.

The Attempt of Gimenez Fernandez

Monsignor Infantes Flórido referred in the interview to the sincere attempt of the former professor of the University of Seville, Manuel Gimenez Fernandez, when he was minister of agriculture in 1933-1935. He started by giving a

stable legal basis to agricultural contracts and relations, but he had to abandon the effort halfway because of opposition from the rightwing of his own political group. This is why he resigned in 1935.

[Question] In your judgment as bishop, what are the limits of agrarian reform?

[Answer] Agrarian reform cannot be involved with lawbreaking or invasion of what is justly private property; neither can it serve as an occasion for seeking partisan gain by focusing on future elections. Also it cannot be a brake or hindrance on agribusiness, nor a liquidation of private property. Therefore it is not an unproductive system to small holdings, nor an occasion for present or future landholders to abdicate their responsibilities, comfortably accepting money for themselves and leaving many responsibilities in the hands of the public sector.

What I mean is that agrarian reform cannot be a body without a soul, that is, it cannot have as its goal simply to enrich certain persons without thinking at the same time about cultural, moral and spiritual betterment and a higher level of human dignity for all involved.

[Question] Do you mean then that agrarian reform and private property are compatible?

[Answer] Pope John XXIII in the encyclical "Mater et Magistra" proclaims that the right to private property and the ownership of productive goods is one of humanity's natural rights. And the Council adds that property contributes to the development of the human person, which means that access to ownership must be protected. But along with this, the Council emphasized the social meaning of property, something which is lacking when ownership serves greed and avarice.

The Problem of Andalucia

[Question] For many Andalucians, agrarian reform is the same as suppressing large landholdings. Do you think this view is correct?

[Answer] This can be an additional topic. First, large estates are not exclusive to Andalucia. Second, according to information from a reliable study, it does not seem that we can say with any certainty that large estates are the most important feature of Andalucia's agricultural system, that is, that large estates have clear dominance over all other types of farms in a given area. If we had to name one principal characteristic of the land distribution system in our region it would be more realistic to define it as a duality of small holdings and large estates, a system of large agribusiness combined with family farming.

[Question] Lastly, Your Excellency, would Andalucia be saved by a modern, effective system of agrarian reform?

[Answer] Clearly it would be a great step forward. Please note that the question cannot be considered only in respect to a certain region of the country, because farming and Andalusia are involved in the totality of the overall national economy. For example, what good does it do to produce great quantities of fruit if it is not marketed effectively? I believe that agrarian reform would serve no purpose if it is affected negatively by other sectors of the national and international economic community.

11989

CSO: 3548/16

FINANCE MINISTRY'S 1984 BUDGET JUDGED UNREALISTIC

Istanbul DUNYA in Turkish 30 Oct 83 p 1

[Text] The revenue section of the 1984 budget proposal, which is under review at the Budget and Plan Commission of Consultative Assembly has been worked out by the Ministry of Finance by using rather far-fetched assumptions. When the inflated figures of tax revenue did not suffice to balance the budget, the Finance Ministry assumed that there would be extraordinary increases (causes unknown) in items - "non-tax normal revenues" and "special revenues and funds".

Since the 23.3% growth target in tax revenue (estimated in the 1984 revenue budget) could not create sufficient funds, the budget was balanced by assuming a 68.2% increase in non-tax normal revenues and a 401.5% increase in special revenues and funds. The requirement of operating with concrete criteria when estimating tax revenue has meant that the rates of increase were estimated as realistically as possible or at least, not too exaggerated. Thus, with the aim of covering the budget funds by means of non-tax budget items, the Finance Ministry gave added weight to those revenue items which can absorb high increases from unknown sources.

For instance, despite the fact that the non-tax normal revenue which was estimated as TL 283.5 billion in 1983 budget, but will be realized as TL 205 billion, the same item was estimated to be TL 345 billion in the 1984 budget. Within this item the highest rate of increase was estimated for the funds to be received from state economic enterprises. Against the estimate of TL 60 billion in the 1983 budget it is now understood that the revenue will not exceed TL 25.5 billion. Despite this, in the 1984 budget, TL 93 billion is expected from this item. In 1982, TL 34 billion was estimated from this source with no revenue materializing in the end.

For 'special' revenue and funds (which in the 1983 budget was estimated as TL 145.5 billion but is not expected to exceed TL 50 billion), a 401.2% increase was estimated for 1984. Under this heading, while the 1983 revenue estimate for deposit monies and project credits was TL 40 billion, a revenue target of TL 175 billion is set for 1984. When explaining these high rates of increase it was merely stated that "in 1984, it is estimated that the deposit monies and project credits will amount to TL 175 billion". As to how the increases will materialize was not explained. Despite the realization that the

revenue from the Fuel Stabilization Fund will remain at TL 9.5 billion, (as against the TL 60 billion estimate in the 1983 budget), an estimate of TL 75.1 billion was inserted into the 1984 budget. As rationale, it was stated that: "The revenue accumulated in the Fuel Price Stabilization Fund is credited to the general budget in accordance with the budget laws, and it is expected that TL 75 billion 101 million will be received from this source".

In previous years, inflating tax revenues and showing high figures for non-tax items without accounting for the sources, have been prevalent practices. For instance, in the implementation of the 1982 budget the actual figures turned out to be 75% in non-tax normal revenues and 31% in special revenues and funds. In 1983, the revised estimates of budget revenues fell short of budget estimates to the extent of 27.7% in non-tax normal revenues and 65.6% in special revenues and funds.

12466

CSO: 3554/23

TURKISH BUSINESSMEN WORK TO FACILITATE SAUDI TIES

Istanbul DUNYA in Turkish 3 Oct 83 p 3

[Text] The members of the Saudi delegation presently in Turkey commented that the projects handed to them by Turkish firms will be examined and decided upon by businessmen back home, and maintained that firm commitments and developments may be materializing in the coming months. Turkish businessmen, on the other hand, noting that this kind of procedure takes a long time, expressed the view that face-to-face discussions with the firms (with which they will be conducting joint investments) can be more beneficial and that deals can be struck quicker that way.

At the weekend meeting (organized by the Istanbul Chamber of Industry which brought together members of the Saudi Arabian Union of Chambers and representatives of Turkish firms) it was stated that the projects of Turkish firms will be channeled to the Saudi businessmen by the Union of Chambers, and that firm commitments could be made only subsequently. However, the Turkish firms maintained that this procedure takes a long time. Turkish businessmen pointed out that face-to-face meetings between Turkish and Saudi firms would be more conducive to getting results and much quicker.

Ibrahim Bodur (chairman of assembly, Istanbul Chamber of Industry), speaking at the meeting in Odakule (the head office of ICI) on Saturday, pointed out that the ingredients of economic and industrial development were finance, technical knowledge and markets, adding that in the Middle East it is Saudi Arabia which holds first place in finance and that Turkey has a large potential as far as technical knowledge and technology is concerned. Bodur, placing emphasis on the point that the Middle East holds a market of close to 150 million people, remarked: "With such a potential in sight what are we waiting for? It is time that we woke up to reality!" Bodur, maintaining that Turkey has been paying an oversize bill to western and other countries for technology, argued that Islamic countries did not have to pay similar bills and that it was time Islamic countries combined the three factors (finance - technical knowledge - markets).

Nurullah Gezgin (chairman of the board, Istanbul Chamber of Industry) who made the second speech reiterated the point that Turkey has reached a positive stage in the industrialization process and that adequate technical knowledge and personnel exist in Turkey. Gezgin, while reminding that a very fine relation

could be established between an economically powerful and technologically advanced Turkey and financially rich Saudi Arabia, said: "This is important and necessary for the interests of both countries on the one hand, and for the enhancement of the Islamic community's power in the world economy, on the other. In order to be powerful within the framework of world economy, it is necessary to maintain co-operation". Gezgin arguing that the industrialized countries exploit Islamic countries, dependent as they are on their natural resources, maintained that this state of affairs could be prevented. He concluded his words as follows: "We are coming with open proposals on matters such as operating the existing installations, erecting fully-completed plants and engaging in joint investments". Ismail Abu Davut (chairman, Saudi Arabian Union of Chambers), taking his turn, stated that many Turkish goods are selling at Saudi markets and that they have come to Turkey with big things in mind.

The Saudi Union of Chambers delegation held discussions on foodstuffs and canned products, for the most part. Stipulating that the projects on construction equipment and agriculture will be taken to their country, they served notice that, for firm commitments, they would be awaiting Turkish businessmen in Saudi Arabia.

12466

CSO: 3554/24

TURK-IS' YILMAZ ON DEMAND FOR HIGHER WAGES

Istanbul MILLIYET in Turkish 3 Oct 83 p 3

[Text] Sevket Yilmaz (chairman, Confederation of Turkish Labor Unions - TURK-IS) pointed out that wages have not kept pace with inflation and stated: "Our demand for a supplemental wage increase dropped the mask of many a person who is seemingly on the side of the worker". In a study commissioned by TURK-IS it was determined that between 1977-1982 real wages dropped by 50%. The daily nominal wage which was TL 146.5 in 1977, became TL 73.58 in real terms in 1982, further declining to TL 66.22 in 1983.

Yilmaz' Speech

Sevket Yilmaz said that they will persist in their demand for a supplemental wage increase which has been rejected by the Superior Arbitration Board. Speaking at Bursa branch meeting of Teksif (Union of Textile Workers), Yilmaz pointed out the following:

"There was a meeting with the Honorable Prime Minister arising out of wages having substantially fallen behind inflation. I presented him with a study conducted by ourselves, as TURK-IS. Our view concerning the necessity of a 20% wage increase in 1983 was received by the Hon. Prime Minister in a positive outlook and taken to the Economic Council meeting convening the next day as an item on the special agenda.

The Hon. Minister of Finance, having said that there should be an increase in minimum wages, has disappeared from the scene in the face of repeated attempts by TURK-IS to find him. He has spoken as if the collective agreement system were working along the principles of free unionism, telling us that the subject would be resolved through collective agreements.

In the meantime, Hon. Naci Varlik (chairman, Superior Arbitration Board) having revealed his ignorance of poverty, made declarations on behalf of the Board without consulting the Board.

As if this weren't enough, the former Under-Secretary of SPO (State Planning Organization) a man named Yildirim Akturk must have thought of himself as relevant to and authoritative on the subject that he seems to have made a statement to the effect that the workers are in very good shape.

First of all, let me make the point clear that we persist in our demands for supplemental wage increase. We have discussed the matter with the Hon. Prime Minister and will be meeting with him again on the results.

The stance of the Hon. Prime Minister, whose sensitivity to workers' rights is known to us, is important for us. I would like to reiterate the point that we do not consider any other utterance as worthy of attention.

Our demand for supplemental wage increase has dropped the mask of many a person who is seemingly on the side of the worker."

Wage-Price Relation

Meanwhile, in a study carried out by TURK-IS experts the relation between wages and prices since 1977 has been determined. In the study, the data for nominal wages were received from SSK (Social Security Organization) and the data for price increases were secured from the Ministry of Commerce - Istanbul cost of living index. The results of the study, taking 1977 as base-year, were paraphrased as follows:

"Wage-price relation shows continual deterioration vis-à-vis the workers. The wage increases of the last five years, in particular, have not kept pace with price increases. This situation has eroded the purchasing power of the low- and fixed-income sector.

The nominal wage index is cruising below the cost of living index. The differential is becoming increasingly wider, unfortunately. If we consider the year 1977 as 100 for both indexes, while the nominal wage index (141.90 in 1978) went up to 471.60 in 1982, the cost of living index (161.88 in 1978) climbed to 939.03 in 1982.

The real wage (146.33 in 1977) dropped to 73.58 in 1982. The real wage index taken as 100 in 1972 has shown a downward tendency, to 50.22 in 1982 and even below that during the current year."

WAGE - PRICE - REAL WAGE

Year	Daily Nominal Wage	Nominal Wage Index	Cost of Living Index (1977=100)	Real Wage	Real Wage Index
1977	146.53	100	100	146.53	100
1978	207.93	141.90	161.88	128.44	87.65
1979	294.31	200.85	264.75	111.16	75.86
1980	426.96	291.38	514.34	83.0	56.61
1981	543.84	371.15	707.77	76.83	51.54
1982	691.03	471.60	939.03	73.58	50.22
1983	829.2	—	1220.7	66.22	45.19

12466

CSO: 3554/24

BUSINESS DIVIDED OVER SOLUTIONS TO ECONOMIC WOES

Istanbul CUMHURIYET in Turkish 3 Oct 83 pp 1,7

[Text] A cleavage over economic policy has arisen within business circles with one month to go to the elections. Speeches and declarations throughout last week have clarified the main points of the cleavage which shows signs of escalation. The discussion focuses upon subjects like "free market economy", "exchange rate policy", "tight money and demand-contracting policies", "free interest rate policy" and "import liberalization versus protectionism". The debate reaches its utmost intensity when it centers on declarations made by the industrialists of the Aegean region and by Selcuk Yasar, in particular. Some of the businessmen who are participants in this debate over economic policy are careful not to enter into open alignment with either camp.

After Selcuk Yasar (chairman of Yasar Holding) declared: "we are against unrestricted interest rates and the floating exchange rate", the most deliberate counter-attacks came from Nuh Kusculu (chairman, Istanbul Chamber of Commerce) and Sarik Tara (chairman of the board, Enka Holding). Ali Kocman (chairman, Association of Turkish Industrialists and Businessmen-TUSIAD), while careful to maintain a 'middle-of-the-road' position, defended the view that "lowered interest rates and a fixed exchange rate policy would mean the beginning of an inflationary period".

Answering questions by the weekly NOKTA, Erdogan Demiroren said that he was "against unrestricted interest rates and unrestricted imports" and that "the daily adjustment of exchange rates are convenient". It is known that Mehmet Yazar (chairman, Union of Chambers) favors "the policy of free interest rates, free exchange rates". Recalling that Yazar spoke (during the meeting in Istanbul organized by INSTITUTIONAL INVESTOR which reflects the world business circles' opinion) to the effect that "there are disturbing developments on the inflation and export fronts", his words now acquire more significance in this context.

The two top men of the bigger and 'older' holdings, Sakip Sabanci and Nejat Eczacibasi, despite their seeming non-partisanship in these debates, have nevertheless made their priorities known by their declarations on topics such as investment, growth, unemployment and liberal economy.

Selcuk Yasar (who is apparently trying to break out of his 'Aegean' shell looking at his enterprises during last year) established the focal point of the debates when he said: "The exchange rate should remain fixed for a year. Continuous loss of value by the currency leads to unrightful gains by exporters. We are against the policy of free interest rates, free exchange rate. We don't want an 'open door' policy in markets and laissez faire in production. We may soon become another Chili." The first deliberate reply to Selcuk Yasar came from Nuh Kusculu: "Devaluation is a necessity and will be continued. Keeping the exchange rate fixed for months is out of the question. Such a policy would mean reverting back to the pre-1980 situation."

Ali Kocman (chairman, TUSIAD) while stressing that "individualistic discussions which emanate from clash of interests within the private sector, are costly for the private sector as a whole", could not restrain himself from countering the views posited by Selcuk Yasar. Kocman said: "If interest rates are lowered to the 20-25% level, as hoped by some sectors, it would mean the start of another inflationary period. A fixed exchange rate would be possible only under an inflationist monetary policy."

Meanwhile, Nejat Eczacibasi (in a speech during the opening ceremony of his new installation) argued emphatically that "the claim that the liberal economy is an indisputable component of the democratic system cannot be defended in a one-sided fashion. We do not view liberal economy as something in which everyone does whatever pleases him". A reply to Eczacibasi came from Sarik Tara (during an interview with NOKTA magazine). Tara said: "Free market is the expression of democracy". Making quite clear which side he is on, Tara continued: "Since I believe in the rules of the free market economy I think that interest rates should also be free. The change in the exchange rate does not necessarily increase inflation. Keeping the exchange rate fixed, we have rewarded the importer and punished the exporter for the last 50 years. The daily adjustment policy in exchange rates is a positive one. Free market and customs walls are not compatible." Selcuk Yasar, alluding to clear-cut positions such as these, declared: "As to our proposals, exporters are against them, banks are against them, foreign sources are against them and construction companies are against them. Naturally these form the public opinion. And they make profits out of this situation."

Erdogan Demiroren (who is noted for his previously expressed view that "daily exchange rate adjustments are convenient") shifted his allegiance to the other camp when he said, doubly pronouncing every word: "I am against unrestricted interest rates. I am against unrestricted imports." He then added "when interest rates are free it would be difficult to prevent inflation. We are obliged to protect the national economy in import policy." Meanwhile, Sakip Sabanci stressed his "priorities" and expressed his "alarm over interest rates and unemployment". According to Sabanci, "those who assume positions after the elections should give priority to investments". Sabanci, who was critical of interest rates remaining high while the inflation rate is coming down went one step further and said: "As a banker, I invite the state to regulate us."

Reasons Behind Alignments

Behind this 'economic' division into camps among the businessmen, lie 'priorities' which are the main elements of economic policies: On one side "exports, policies bringing in foreign currency, the pressure of internal demand which is supportive of these policies and interest rate policy, unrestricted imports" and on the other, "the relaxation of markets, the priority of investment and growth, the protection of internal markets and the danger of unemployment".

12466

CSO: 3554/23

NAVY TO GET NEW HYDROGRAPHIC VESSEL

Athens ELEVTHEROTYPIA in Greek 20 Sep 83 p 2

[Text] "Pytheas," the hydrographic vessel of the Navy, was launched yesterday at the Anastasiadis-Tsortanidis shipyards. The mission of the new vessel is to carry out hydrographic and oceanographic research in the maritime territory of Greece.

Present at the launching were the deputy minister of National Defense, Mr. Pav. Zakolikos, the chiefs of the Navy and Port Corps, Admirals N. Pappas and K. Prokopis, as well as maritime officials.

Mrs. Barbara Koutoumani, a career employee of the hydrographic service of the Navy, was sponsor of the vessel.

In his speech, Mr. Zakolikos expressed his satisfaction at the entrance into service of the new Navy unit. "This unit will contribute significantly to scientific research. The time has come when Greek industry can build such units with its own materials, therefore, ending its dependence."

The "Pytheas" was built at a cost of 175 million drachmai and its financing was covered by the budget of the GEN [Naval General Staff]. The ship was completed in 18 months.

The "Pytheas" has a length of 50.17 meters and a width of 9.60 meters; its speed is 14 knots and its displacement, 670 tons.

Its crew will consist of 32 men and 16 scientific personnel will be aboard.

A large part of the ship's fittings are of Greek manufactures.

9731

CSO: 3521/15

SPREADING DEATH OF FORESTS IN CENTRAL EUROPE

Hamburg DER SPIEGEL in German 8 Aug 83 p 70

/Text/ Erwin Lauterwasser, chief forestry executive in Freiburg, admits: "Every time I go out into the wood, I am more alarmed." Rainer Wujciak, a forestry official in Hamburg, is convinced: "Whoever loves the forest can only pray for it now."

Forestry experts in both the north and south of the FRG are reacting with alarm and dismay to the pace at which the death of forests is racing forward. If the Federal Government found only last year that 8 percent of the country's trees were diseased, a recent survey by Bonn's Ministry for Food, Agriculture and Forestry, currently undergoing analysis, indicates that one-fourth of German forests has already been ruined.

The damage is no longer only locally noticeable; the entire region is affected. The Union of German Forest Owners Associations made this statement last week about the extent of the dying forests: "An ecological disaster of hitherto unknown proportions is threatening the industrial nations in the heart of Europe."

In some places, as in Bavarian Forest National Park, nearly every tree is diseased: "This forest is dying," National Park Director Hans Bibelriether announced last month, "there's nothing left to save."

There is not a single healthy fir tree left in the Black Forest and spruce trees there are dying everywhere at elevations over 500 meters. Biberach forest owner Albrecht Graf von Brandenstein-Zeppelin is afraid that "damages amounting to hundreds of billions" are in store for him and his colleagues.

In the Donaueschingen area, Prof Guenther Reichelt, a biologist, notes a "rapid deterioration" in the death of forests: "The entire timber forest is ruined." In Hesse, according to the land Environmental Ministry, ten percent of the spruce trees are incurably diseased and 57 percent are "severely damaged."

In North Rhein-Westphalia as well, the ecological disaster is assuming proportions which could not be foreseen just a year ago. "If the pollution continues," Forestry Commissioner Diethard Altrogge of Muenster's Superior Forest Authority states, "the forest in Sauerland will be dead in 3 years."

But it has been a long time since only mountain forests were affected. According to forest service employees, spruce trees in the Frankfurt municipal forest have moist heartwood and crown damage, "the same symptoms of sickness and death which are well-known on the slopes of mountains of low elevation." In the Lueneburger Heide wildlife preserve, every third tree is exhibiting signs of shedding needles.

"Along the northern and eastern seashore," according to very recent studies by Goettingen forestry scientists, the damage is even "worse, in places, than in the Bavarian Forest." However: "The public has not yet become aware of this damage, because forested areas in these regions are not very large."

In many places, as in Hamburg, where three-fourths of the forested area is threatened with death, the assumption has proved to be an "error" according to forestry authorities, since at least "deciduous forests would survive the soil's hyperacidity without damage." Forester Wujciak: "Through extensive infrared photographs, we know that thousands of deciduous trees are endangered"--yew trees as well as oak, beech and birch trees.

The hope that the death of lakes, caused by acid rain, would remain limited to Scandinavia and Canada (where 4,000 lakes in the province of Ontario alone are already without fish and 48,000 lakes will be biologically dead in 15 years at the latest with continuing air pollution) is also proving to be an illusion: any kind of fish life also ceased to exist some time ago in Bavaria's Rachelsee and in the Arbersee.

In France, where "le Waldsterben" (death of forests) was condescendingly considered a figment of Teutonic imagination only a year ago, forestry experts are now finding initial forest damage in the Vosges Mountains possibly signs of a development which has already reached its final stage in the CSSR and southern GDR. As RUDE PRAVO acknowledged on Friday of last week, "besides the forests, the soil is also critically unhealthy" in the Erzbirge; every other sapling planted perishes within a short time.

The League of Conservation in Bavaria last week predicted a similar fate for the German Alps. Rapidly spreading damage in Alpine forests would cause erosion and rockfall in coming years and would thus "jeopardize the habitability of entire Alpine valleys."

Thus according to one association spokesman, it is "by no means so certain any longer" that the planned Winter Olympic Games can be held in Berchtesgaden or Garmisch in 1992.